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Daily Report

East Asia

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Daily Report

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South Pacific Nations Discuss Regional Security Issues

*BK1806070396 Melbourne Radio Australia
in English 0500 GMT 18 Jun 96*

[FBIS Transcribed Text] Delegates from 12 Pacific nations have gathered in Fiji to discuss regional security and law enforcement issues. As Richard Dinno reports, the South Pacific Forum's Regional Security Committee is meeting for three days in Suva.

Officials from 12 Forum member countries are attending along with observers from the Commonwealth of the Northern Mariana to exchange views and information on international and regional developments affecting the security of Forum nations.

The committee will examine its progress in fostering cooperation between law enforcement agencies in the region particularly in relation to illegal drugs. The committee will draft recommendations to be put to the Forum meeting in the Marshall Islands in September and it is also expected to raise a proposal raised by Papua New Guinea last year to establish a framework for regional consultation on security issues.

Experts Urge Closer ASEAN-EU Contacts To Bridge Differences

*BK2206121596 Bangkok BANGKOK POST
in English 22 Jun 96 p 7*

[Report by Saritdet Marukhatat]

[FBIS Transcribed Text] ASEAN and European Union experts have called for closer contact between the two groupings to forge a better understanding of their cultural differences — a factor which could affect ties.

The call was one of four strategies outlined by the Eminent Persons' Group in a report forwarded to both ASEAN and EU ministers yesterday.

The other approaches suggested were: strengthening cooperation through the World Trade Organisation and other multilateral forums; the promotion of trade and investment; and encouraging academics to play a larger role in political and security issues.

Former permanent secretary for foreign affairs Witthaya Wetchachiwa represented Thailand in the 16-member

group comprised of distinguished persons from the seven ASEAN states and nine EU members.

Director-General of the ASEAN Department Sukhum Ratsamithat said yesterday cultural and art promotions and frequent exchanges of personnel at all levels would have long-term benefits and help breach the cultural divide.

Differences between the two groupings were apparent in the first Asia-Europe Summit in March in Bangkok when some European leaders pushed for negotiations on sensitive issues — including human rights — while Asian heads of government were eager to set them aside.

But Mr Sukhum said the report did not address human rights issues at a deep level.

"The dialogue of human rights has been a regular feature of the ASEAN-EU political agenda and has produced useful results. We look for continued progress in this field."

The experts had recommended the two groupings open up their regions for trade and investment promotion free from prejudice; enhance bilateral trade and investment relations; and allow educational institutions to play a role in security and political issues.

The Eminent Persons' Group met four times after being formed in September 1995 to lay plans for the changing relationship between the EU and ASEAN. Their task ended at their last meeting in Vienna early this month when they finalised their report.

ASEAN foreign ministers will discuss the report in their annual meeting in Jakarta before holding talks with the EU in a back-to-back meeting, Mr Sukhum said.

The ministers will propose that the EU join their plans to develop Laos, Cambodia and Vietnam with its technology and investment expertise, he said.

ASEAN will discuss the forthcoming ministerial meeting of the WTO with its European counterparts in Jakarta, where it will reiterate its opposition to tabling non-trade issues at the WTO summit in Singapore in December.

Japan

Japan: No Agreement Reached in Semiconductor Talks With U.S.

OW2206010396 Tokyo KYODO in English
2339 GMT 21 Jun 96

[By Kohei Murayama]

[FBIS Transcribed Text] Washington, June 21 KYODO - Japan and the United States failed to resolve their semiconductor dispute Friday [21 June] after two days of vice-ministerial talks here over a 1991 accord which expires July 31, Japanese and U.S. officials said.

"It's fair to say that the two sides remained far apart on our positions" Ira Shapiro, senior counsel and negotiator at the Office of the U.S. Trade Representative, told reporters after talks with Yoshihiro Sakamoto, vice minister for international affairs at Japan's Ministry of International Trade and Industry.

The two sides had "significant and in-depth talks," but have not arranged a next meeting, Shapiro said.

Shapiro said U.S. President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto would bring up the issue when they meet next Thursday just before the three-day summit of the Group of Seven major powers in Lyons, France.

"The President and the prime minister usually have strong focus on important bilateral issues...and this is one of them," he said.

Shapiro did not comment on the prospects of the two nations striking a deal, and he also refused to comment on what actions Washington would take if the dispute remains unsolved after the accord's July 31 expiration date.

The U.S. side called for a new, one-time "transitional" agreement to "preserve and continue the success made under the current arrangement," through "limited" government involvement in monitoring industry activities and calculating quarterly market share, Shapiro said.

"There would be no numerical targets for market share," Shapiro said, adding that the proposed new accord will also not include "floor, ceiling or guarantees."

But the Japanese side "has not responded positively to our proposal," and brought up "exaggerated and overstated" concerns, Shapiro said.

Japanese officials said that Sakamoto rejected the U.S. proposal, arguing that the accord has already achieved its purpose since the foreign share in the Japanese semiconductor market is now 30 percent, more than the 20 percent originally targeted by the U.S.

They said the U.S. proposal effectively creates "a minimum limit" for market share.

Sakamoto told Shapiro that Japan supports the Japanese microchip industry's proposal for a "transitional" arrangement with the U.S. industry to phase out even an industry-level role and to return to "normal" competitive business relations, the officials said.

As for government involvement, the officials said Japan proposed creation of a global semiconductor forum to discuss problems as they arise.

Shapiro said he welcomed the Japanese proposal as a reversal of the country's earlier insistence that there be "absolutely" no government involvement.

But the Japanese proposal "does not address the market access concern," Shapiro said. He described the success attained by foreign companies in Japan "in the past two or three years" as "quite fragile" due particularly to lingering exclusive "keiretsu" business groupings between suppliers and purchasers.

Shapiro also said that Washington is prepared to consider the European Union's interest in joining the U.S.-Japan microchip arrangement, "assuming commitments that they eliminate their semiconductor tariffs."

Japan: Negotiators 'Far Apart' in Chip Talks

OW2206040296 Tokyo KYODO in English
0252 GMT 22 Jun 96

[By Kohei Murayama]

[FBIS Transcribed Text] Washington, June 21 KYODO - Japan and the United States remained far apart on their semiconductor dispute Friday [21 June] after two days of vice-ministerial talks here over a 1991 accord which expires July 31, Japanese and U.S. officials said.

The U.S. side continued to urge a one-time renewal of the bilateral agreement, while tabling a proposal to reduce government-level commitments in ensuring foreign market access in Japan, the officials said.

But the Japanese side stuck to its position that the bilateral agreement should be terminated, and proposed a new multilateral framework to discuss problems in the microchip sector, the officials said.

"It's fair to say that the two sides remained far apart on our positions," Ira Shapiro, senior counsel and negotiator at the Office of the U.S. Trade Representative, told reporters after his talks with Yoshihiro Sakamoto, vice minister for international affairs at Japan's Ministry of International Trade and Industry.

At a separate press conference, Sakamoto rejected the U.S. proposal, calling it a "de facto" extension of the substance of the current agreement.

The two officials did not comment on prospects for the two nations striking a deal, and Shapiro also refused comment on what action Washington would take if the dispute remains unsolved after the accord's July 31 expiration.

But Sakamoto and Shapiro said they may meet again in Lyons, France, where they will be part of their countries' delegations to the annual three-day summit of the Group of Seven (G-7) major industrialized nations that starts next Thursday.

A meeting is also being arranged between Japanese Trade Minister Shumpei Tsukahara and Acting U.S. Trade Representative Charlene Barshefsky, who will also attend the G-7 summit, the two officials said.

Shapiro said U.S. President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto will bring up the microchip issue when they meet shortly before the start of the summit.

"The president and the prime minister usually have strong focus on important bilateral issues...and this is one of them," he said.

But Sakamoto declined to comment on the Clinton-Hashimoto meeting.

Shapiro said that at his two-day talks he called for a new, one-time "transitional" agreement to "preserve and continue the success made under the current arrangement," through "limited" government involvement in monitoring industry activities and calculating quarterly market share.

"There would be no numerical targets for market share," Shapiro said, stressing "no floor, no ceiling or no guarantees."

Sakamoto said he countered that the accord has already achieved its purpose since foreign share in the Japanese semiconductor market is now 30 percent, more than the 20 percent originally targeted by the U.S.

The U.S. proposal would effectively create "a minimum limit" for market share, Sakamoto said.

Sakamoto said he told Shapiro that Japan supports the Japanese microchip industry's proposal for a "transitional" arrangement with the U.S. industry to phase out even an industry-level role and to return to "normal" business relations relying on "market mechanisms."

As for government involvement, Sakamoto said Japan proposed creation of a "global government forum on the semiconductor industry" to discuss such issues

as structural market barriers, legal matters, taxation, intellectual property rights, standards and cooperation on research and development.

The forum could also discuss problems requested by the industry side for government-level consultations, Sakamoto said.

Shapiro said he welcomed the Japanese proposal as a reversal of the country's earlier insistence that there be "absolutely" no government involvement.

But the Japanese proposal "does not address the market access concern," Shapiro said. He described the success attained by foreign companies in Japan "in the past two or three years" as "quite fragile" due particularly to lingering exclusive "keiretsu" business groupings between suppliers and purchasers.

Sakamoto said, "we believe there are no market barriers in Japan."

The Japanese vice trade chief said that Japan wants to include the European Union (EU) in its proposed forum, but noted that the U.S. side has refused to allow the EU to join in its proposed new microchip agreement.

Shapiro also said that Washington is prepared to consider the EU's joining a new arrangement, but only on condition the EU assumes "commitments that they eliminate their semiconductor tariffs."

Japan: No Progress Seen in Talks by Semiconductor Industry Leaders

OW2406084796 Tokyc KYODO in English
0827 GMT 24 Jun 96

[FBIS Transcribed Text] Tokyo, June 24 KYODO — Telephone talks Monday [24 June] between Japanese and U.S. semiconductor industry leaders yielded little specific progress in resolving differences over the Japanese microchip market, industry sources said.

Norio Ohga, chairman of the Electronic Industries Association of Japan and chairman of Sony Corp., talked by phone for about two hours with Pat Weber, chairman of the U.S. Semiconductor Industry Association and chairman of Texas Instruments Inc.

Specifics of the talks were not revealed, but the two sides apparently remain apart on the key issue of having government involvement in the semiconductor market in Japan, the sources said.

The Japanese and U.S. semiconductor industries held two rounds of talks in Hawaii in February and April.

Japanese and U.S. vice ministerial-level talks held in Washington last week also failed to bridge the gap between the two countries on the semiconductor dispute.

The United States, while offering to reduce government-level commitments in ensuring foreign access in the Japanese market, is urging a renewal of the 1991 Japan-U.S. semiconductor agreement that expires July 31.

Japan is rejecting the request, maintaining that a renewal of the bilateral agreement will create another numerical target, and is proposing a new multilateral framework to discuss problems in the microchip industry.

Japanese International Trade and Industry Minister Shumpei Tsukahara and acting U.S. Trade Representative Charlene Barshefsky are to discuss the issue during the summit of the Group of Seven (G-7) industrialized nations to be held in Lyons, France, from Thursday to Saturday.

Japan: EIAJ Official Comments on Semiconductor Issue with U.S.

OW2106152296 (Internet) Electronic Industries Association of Japan WWW in English 17 Jun 96

[From the "What's New" link]

[FBIS Transcribed Text]UCOM VICE CHAIRMAN COMMENTS ON THE FOREIGN SEMICONDUCTOR MARKET SHARE IN JAPAN FOR THE FIRST QUARTER OF 1996

Tokyo, June 17, 1996 ... The share of Japan's semiconductor market held by foreign suppliers in the first quarter of 1996, from January to March, was 0.6% under Formula 1 and 31.0% under Formula 2, according to figures released on June 17, 1996, by the Japanese and U.S. governments.

With today's announcement, Mr. Takuji Shinmura, vice chairman of the users' Committee of Foreign Semiconductors (UCOM) of the Electronic Industries Association of Japan (EIAJ) said, "These figures confirm the continued high level of the foreign semiconductor market share in Japan. As we have repeatedly stressed, foreign semiconductors which are commercially competitive are solidly established in the Japanese market."

However, Mr. Shinmura stated, "The current system of basing market share calculations on the national origin of investment capital simply does not reflect the realities of a globalized business community and the growing importance of international joint activities between semiconductor suppliers and users. Further, such calculations are questionable under World Trade Organization regulations."

Mr. Shinmura continued, "We have heard from many foreign semiconductor suppliers in business with users in Japan who have attested to the mutual trust and solid relationships which have been established between

foreign-based and Japanese companies. It is apparent from this that government involvement in the semiconductor sector is no longer necessary."

Mr. Shinmura concluded, "It is our genuine desire to promote cooperative relationships with any supplier, regardless of their ownership, based on the commercial imperatives of a global business environment, without discrimination, and free of government intervention."

Mr. Takuji Shinmura, vice chairman of UCOM, and managing director and general manager of the Purchasing Department of Mitsubishi Electric Corporation, was elected incoming chairman of UCOM at the annual meeting of the group on May 28, 1996. Mr. Shinmura will take over the post from the current chairman, Mr. Keiya Toyonaga, on June 20th.

Tokyo Expected To Seek Equal Rights With U.S. in Aviation

OW2406103496 Tokyo KYODO in English 0957 GMT 24 Jun 96

[FBIS Transcribed Text] Tokyo, June 24 KYODO — Japan will seek equal rights for a Japanese airline in the passenger transport phase of civil aviation talks with the United States, Transport Ministry officials said Monday [24 June].

The talks, to be held in Washington on Thursday and Friday, will focus on equal rights for All Nippon Airways (ANA) and requests by United Airlines and other U.S. carriers to extend their transPacific routes beyond Japan, the officials said.

The officials said Japan will seek to elevate the status of ANA to a "forerunner" airline with vested interests so that the two countries will have two carriers each with such a privilege.

The forerunner airlines have been vested with preferential treatment on passenger routes and flight frequencies since the existing aviation treaty was signed in 1952.

At present, Japan Airlines is the only Japanese airline with the forerunner status, while Northwest Airlines and United Airlines are recognized as forerunners for the U.S.

As a result, the number of flight frequencies granted to Japanese airlines has been only half that given to U.S. airlines, the officials said.

The officials said Japan will also ask Washington to give Japan airlines "beyond rights" from the U.S. while seeking an increase in the number of transPacific flights for Japan Air System.

Japan: Film Talks With U.S. Possible by 8 Jul

OW2206070196 Tokyo KYODO in English
0625 GMT 22 Jun 96

[FBIS Transcribed Text] Tokyo, June 22 KYODO — Japan is talking with the United States about holding bilateral photographic film talks in Geneva as early as July 8 under a framework of a U.S. complaint filed with the World Trade Organization (WTO), government sources said Saturday [22 June].

The working-level session, if agreed to, will likely be held between section chiefs of both governments, they said.

Washington lodged a complaint with the Geneva-based global trade watchdog June 13, accusing the Japanese Government of "unreasonable practices" that lock out foreign products from the Japanese consumer photographic film and paper market.

Tokyo is expected to formally convey to the U.S. and the WTO its intention of accepting U.S. demands for bilateral film talks during WTO proceedings Monday.

The U.S. took the case to the WTO after an 11-month probe into U.S. film maker Eastman Kodak Co.'s petition claiming that Japan's Fuji Photo Film Co. and the Japanese Government have been collaborating to block access to the Japanese market.

The U.S. blames Japan's premiums and misrepresentation law for unnecessarily restricting the use of sales incentives by foreign companies trying to break into Japan.

Japan, however, expects to counter the claim, saying such restrictions have nothing to do with competition policy, and that similar systems exist in Europe, the sources said.

Another Japanese law that the U.S. criticizes as a barrier to market access is the large-scale retail stores law, which regulates the opening of supermarkets and other large retailers, a key film carrier for Kodak and other foreign companies.

The Japanese side will reject this charge, pointing out that Kodak's market share has not been rising despite an increasing percentage of large retail outlets out of the nation's total shopping floor area, according to the sources.

The U.S. also demands bilateral talks outside of WTO proceedings to discuss what it considers to be restrictive private-sector business practices in Japan.

Kodak has complained about Fuji's powerful network of primary wholesalers, who it says are controlled by Fuji, as well as its nontransparent rebate system.

As a result of the 11-month investigation under the Section 301 of the 1974 U.S. Trade Law, the U.S. has also determined the existence of anticompetitive business practices that are impeding foreign access in Japan.

The U.S. argues that bilateral talks on anticompetition issues are warranted by a 1960 accord under the General Agreement on Tariffs and Trade, which was replaced by the WTO in January 1995.

But Japan will ask for further explanation of U.S. demands as they believe the bases for their arguments are not concrete.

Japan: Joint U.S.-British Investigation of Sumitomo Expected

OW2206040196 Tokyo KYODO in English
0152 GMT 22 Jun 96

[FBIS Transcribed Text] New York, June 21 KYODO — The U.S. Commodity Futures Trading Commission (CFTC) is expected to send investigators to Japan as early as next week to interview officials of Sumitomo Corp. about the trading house's massive copper trading loss, sources close to the investigation said Friday [21 June].

A joint investigation by U.S. and British regulators is likely, with Britain's Serious Fraud Office and Securities and Investments Board already set to launch investigations in Japan from next week, they said.

The sources said the CFTC is interested in whether Yasuo Hamanaka, Sumitomo's former chief copper trader who is at the center of the affair, manipulated copper prices. The CFTC wants to interview both Sumitomo officials and Hamanaka, they said.

The New York District Prosecutors Office, which has subpoenaed the president of Global Minerals and Metals Corp. of New York, which has had large-lot trades with Sumitomo, to testify before a grand jury, is also said to be considering sending investigators to Japan. A spokesman for the office declined to comment.

Japan: Broker Group Suspected of Manipulating LME Trade

OW2206032396 Tokyo KYODO in English
0149 GMT 22 Jun 96

[FBIS Transcribed Text] London, June 22 KYODO — A group of leading metal brokers led by Sumitomo Corp.'s disgraced former chief copper trader Yasuo Hamanaka is suspected of having manipulated metal prices on the London Metal Exchange (LME), market sources said Saturday [22 June].

They said that the group, which called itself the "magic circle," set metal prices favorable to themselves regardless of the supply-demand balance, the sources told KYODO News.

Hamanaka was recently fired by Sumitomo after it discovered the trader had caused it losses of \$1.8 billion from allegedly unauthorized copper trading.

The sources said their company got in touch with Hamanaka in Tokyo three times in a 12-month period in a bid to join the group, but said it was difficult for newcomers to join.

The group, however, failed to win over cash-rich U.S. hedge funds, they said. The group tried to stabilize metal prices through buy-ups but was overwhelmed by hedge funds' sell orders, causing it huge losses, they said.

After Sumitomo disclosed its massive copper trading losses, a major British metal broker which was a member of the group is said to have posted a loss of 4 million pounds (some 680 million yen), probably in circumstances related to Hamanaka's downfall, they said.

Meanwhile, Britain's Serious Fraud Office (SFO) is likely to send a team of officers to Japan by the end of next week as part of an investigation into the Sumitomo copper affair, an SFO spokesman said.

They are expected to be joined by officials of the Securities and Investments Board and City of London police.

The investigators said they will try to determine whether Hamanaka alone was responsible for the Sumitomo copper affair or whether an international price-fixing cartel was involved.

Japan: Okinawa Governor Returns, Stresses 'Economic Independence'

OW2106152096 Naha OKINAWA TIMES in Japanese
21 Jun 96 Morning Edition p 1

[FBIS Translated Text] On the evening of 20 June, Governor Masahide Ota returned to Okinawa after concluding his fifth visit to the United States, which was aimed at settling base-related issues through such efforts as talks with U.S. Defense Secretary Perry. In his meeting with reporters at Naha Airport, Ota said: "I found something responsive to our invitation for setting up international education institutions. What we have to do now is to make efforts to gain independence in dealing with such issues as the utilization of returned land plots used by military bases." In this way, the governor indicated his intention to attain economic

independence while getting the return of military bases into perspective.

Concerning the outcome of his U.S. visit, Ota stated: "Problems cannot be solved in a short time. However, one Congressman said that 'as a result of the five visits, Okinawa has now come to be well known throughout Congress.'" Thus, he stressed the importance of making direct appeals to the United States.

Governor Ota failed to attain one of the objectives of this visit, which was to sound out the U.S. on the relocation of Air Station Futenma. However, Ota stressed the significance of direct dialogues, and said: "Secretary Perry said he would make efforts (to promote reduction of military bases) until the issuance of the final report in November [by the Special Action Committee on Okinawa]. And they listened with enthusiasm to our briefing on the international urban community concept."

Moreover, Governor Ota once again explained that in addition to settling base-related issues, his visit also aimed at attracting American enterprises or international educational institutions to Okinawa. In indicating his enthusiasm, Ota said: "We would like to start looking immediately into procedures needed for inviting international organs as well as the possibility of attracting Japan-U.S. joint projects to Okinawa."

Meanwhile, with regard to the fact that in connection with the enforced use of a land plot used by the U.S. Forces' Sobe Communications Facility, the government is pressing the governor to start by proxy the public notification and circulation process by 21 June, Governor Ota avoided making any comments and merely said: "Since I would like to listen to reports concerning my absence here first, I cannot say anything definite at this time."

Japan: Editorial Views Okinawa Governor's U.S. Visit

OW2206054396 Naha OKINAWA TIMES in Japanese
20 Jun 96 Morning Edition p 5

[Editorial: "The Amazing 'Good Neighbor' Remarks"]

[Translated Text] Highlighting the Gap in Understanding

It may be a long and winding road, but we must not give up. Only if we keep holding on will the future open up for us.

"You cannot expect results right away just by submitting a request with the United States one time. What is important is to keep repeating it." So commented Okinawa Governor Masahide Ota, who completed his mission of visiting the United States to submit requests

related to the settlement of post-military-base-reversion problems.

This was Ota's fifth visit to the United States. Unlike his previous visits in which he asked for the return of U.S. military bases, Ota's latest trip envisioned economic development and other post-base reversion matters. The purpose of the governor's visit was to press the United States to reconsider the Special Action Committee for Okinawa's (SACO) decision on 15 April to return Futenma Air Station under the condition that its functions be relocated to other bases and to gain U.S. understanding and cooperation in economic aspects in regard to the diversion of land after the base is returned, suggesting Okinawa as a site for U.S. businesses and organizations under the UN University.

The Okinawan people are concerned the most about such problems as the construction of a runway inside the Kadena ammunition depot that will accompany the return of Futenma Air Station. The Japanese Government has not made any reports on this issue, and the U.S. Government has said that "the final decision has not been made yet." As a result, the governor found himself completely at a loss over what to expect in the future, his anxieties rising evermore.

The main feature of Ota's latest U.S. visit was his first meeting with U.S. Defense Secretary William Perry. However, the meeting only served to accent the gap in understanding between the U.S. Government, which stresses the "importance of military bases," places priority on the security arrangement, and emphasizes SACO's accomplishments, and the Okinawa Prefectural Government, which feels a sense of crisis over the "permanent establishment" of military bases on Okinawa as a result of transferring to other bases the functions of military bases that are to be returned.

In the recent joint declaration on the Japanese-U.S. security arrangement, Japan and the United States confirmed their intention to strengthen bilateral defense cooperation in preparation for contingencies in the Far East. This was followed by a review of the "Guidelines for Japanese-U.S. Defense Cooperation" to widen the scope of bilateral defense cooperation to contingencies in "areas around Japan," including the Pacific. As a result, it is believed that a majority of the Okinawan people probably held hardly any expectation for the governor's meeting with Secretary Perry.

Perry has said: "Any economic project, no matter how excellent, requires regional security and stability. It is necessary for the prefectural government to discuss its relations with local U.S. military forces and to improve this relationship." From such a military base-oriented attitude, we can only infer that, far from showing

an understanding for Okinawa, Perry wants to make permanent military bases on Okinawa a keystone of the Asia-Pacific region, via the redefinition of the security arrangement.

Only on mutual trust and understanding can people build a relationship as "good neighbors." It seems like a derogatory remark against the Okinawan people to say that Americans "want to be good neighbors" while attempting to permanently establish military bases on Okinawa.

We have repeatedly requested that military bases be returned. Every time, the answer we get is that the Japanese-U.S. security arrangement is important to preserve peace and ensure Japan's security. Governor Ota's assertion is that if that were true, the Japanese people should all shoulder the accompanying responsibility and burden equally. However, hardly any substantial debate has been conducted, even in court, on that all-important security arrangement.

Destined To Shoulder the Role of "Gubernatorial Diplomacy"

With the enactment of the Law for the Promotion of Decentralization, it now seems that central government functions assigned to local governments will likely be abolished. Under such circumstances, to demand that the governor listen to the central government's orders is an idea conceived only by someone from the past when the governor used to be appointed by the central government.

The central government is managing military base affairs in such a manner that it deviates from the ways of a democratic nation. Due to discontent in this regard, Okinawa is destined to shoulder "prefectural gubernatorial diplomacy" in which the governor skips over the state's authority, a situation uncommon to other prefectures in Japan. How well do the Japanese and U.S. Governments understand this?

During his week-long visit from 14 June to 20 June, Governor Ota met with officials from various fields, including leaders of economic organizations, researchers from think tanks, and members of the House of Representatives. At one of the meetings Ota received a favorable response concerning his suggesting Okinawa as a site for international research facilities under the United Nations, an idea that could materialize depending on the prefectural government's efforts. Ota received the response during an exchange of opinions with such people as Professor Nathaniel B. Thayer from Johns Hopkins University. - he is proposing setting up a joint Japanese-U.S. graduate school within the Defense Department. We praise the governor for his great devotion.

The UN University Headquarters building in Tokyo, which was completed in 1992, houses an international convention hall with a seating capacity of approximately 350 and a library where invaluable documents dating back to the era of the League of Nations are preserved. The building also houses the Tokyo offices of the International Labor Organization (ILO), UNICEF, the UN Development Program (UNDP), and the UN Information Center (UNIC).

A Devotion We Want To Support With the Prefectural Referendum

Among UN agencies set up as independent research institutions are the World Institute for Development Economics Research (WIDER) in Finland, the New Technology Institute in the Netherlands, the International Software Technology Institute in Macao, and the Africa Natural Resources Institute in Ghana. These institutions are undertaking research projects covering five topics: Social management, world economy, global environment, science and technology, and the population problem.

In recent years, much has come to be expected of Japan to respond to rising calls for international cooperation in human rights, humanitarian, environmental, and other issues which form an important pillar of Japan's contributions to the international community. It may be a good idea to stand on this viewpoint to study the possibility of proposing Okinawa as a site for international agencies such as those under the United Nations.

However, we cannot simply talk about inviting UN agencies arbitrarily since it will involve financial problems. Resolving this task will ensure that the favorable response that Governor Ota received during his meetings with professor Thayer and others will become a reality. Therefore, it is necessary to keep on appealing to the U.S. Government. Only if the Okinawan people support the governor will his latest U.S. visit serve as a step to move the Japanese and U.S. Governments. We shall try to show that in the prefectural referendum.

Japan: Ota Renews Call for Withdrawal of U.S. Bases

OW2306050496 Tokyo KYODO in English
0431 GMT 23 Jun 96

[FBIS Transcribed Text] Naha, Japan, June 23 KYODO — Japan's southernmost prefecture of Okinawa on Sunday [23 June] renewed its call for withdrawal of U.S. military bases there in holding a memorial ceremony for those who were killed in battle on the islands 51 years ago.

"The lessons we have learned through the Battle of Okinawa was that how precious human lives are and how important it is to hate war, love peace and live by helping each other," said a peace declaration read aloud by Okinawa Gov. Masahide Ota at the ceremony.

About 5,000 people participated in the ceremony at the Peace Memorial Park in Itoman in the southern part of the main island of Okinawa.

The declaration, however, said that such wishes of the people of Okinawa have been ignored since the end of World War II due to the presence of U.S. bases.

At the ceremony, Ota also gave an address in which he pledged efforts to make his prefecture "a peaceful place without the bases."

The peace declaration said Okinawa people are unable to use their own lands because of the bases, and incidents and accidents deriving from the bases "never seem to end."

The memorial ceremony, sponsored by the prefectural government of Okinawa, was held to mourn for people killed in the fierce battle between the Japanese Imperial Army and the Allied forces after the Allied invasion of Okinawa on April 1, 1945.

During more than 80 days of the battle that ended June 23, 1945, an estimated 250,000 Japanese and 12,500 Americans were killed.

Okinawa was the only place in Japan during the war where ground battles took place involving civilians, and one in every four Okinawans died in the war.

The governor launched a battle with the central government over the U.S. bases last November when he refused to sign documents needed for the continued leasing of land to the U.S. military, forcing unwilling landowners to continue such leasing.

The action followed the outcry over the rape of an Okinawa schoolgirl last September for which three U.S. servicemen received prison terms.

The Sunday ceremony also marked the placing of the names of 1,968 people, who have been newly confirmed as having died in the battle for Okinawa, on stone monuments inside the park which are engraved with the names of those who were killed regardless of their nationalities.

Among the 1,968 are 82 British soldiers.

The monuments now have the names of 236,095 people who were killed — local citizens and Japanese and U.S. soldiers, as well as military personnel from the Korean

peninsula and Taiwan which were under Japanese colonial rule at that time.

Although Okinawa comprises less than 1 percent of Japan's total land area, it is home to U.S. military facilities occupying a total of 244,473,000 square meters of land — about 75 percent of the total land area occupied by U.S. military facilities in Japan.

The island prefecture was under U.S. occupation after the war until May 1972 when it was returned to Japan.

Japan: Hashimoto: Okinawa Land Law Must Be Treated With 'Prudence'

OW2106120996 Tokyo MAINICHI SHIMBUN
in Japanese 21 Jun 96 Morning Edition p 2

[FBIS Translated Text] Prior to the Lyons Summit (G-7 meeting) and his ROK visit, Prime Minister Ryutaro Hashimoto visited former Prime Minister Yasuhiro Nakasone at his Tokyo office on 20 June to exchange opinions on various domestic and diplomatic issues. Regarding the U.S. base-related problems on Okinawa, Hashimoto said that he will keep an eye on legal procedures for the compulsory use of the base land at the Okinawa prefectural land expropriation committee. He also indicated that prudence is necessary in dealing with enactment of the special legislation to grant the government authorities to approve the compulsory use of the land for U.S. forces.

Japan: Hashimoto To Ask Governor Ota To Act on Base Land

OW2106145296 Tokyo KYODO in English
1410 GMT 21 Jun 96

[FBIS Transcribed Text] Tokyo, June 21 KYODO — Prime Minister Ryutaro Hashimoto will ask the continued use of a plot of land inside a U.S. military facility, officials said Friday [21 June].

Hashimoto will issue an official "recommendation" paper for Ota, because the governor has failed to make an announcement on a central government request for the expropriation of the land plot by the deadline Friday.

The central government earlier sent a letter asking Ota to make such an announcement, which is required procedure before the central government can renew a rental contract for the land inside the U.S. Navy's Sobe communications facility in the southernmost island prefecture of Okinawa.

The law stipulates that a prefectural expropriation committee, an independent body, can decide whether or not to approve the government request only after the announcement.

If Ota rejects the recommendation, the prime minister is expected to issue an "order" and if the governor also rejects it, the central government will have to take the case to court, probably in July, to seek an order forcing Ota to comply.

The expected developments are a repeat of those that occurred between the governor and Hashimoto's predecessor Tomiichi Murayama last year, after Ota refused to sign documents pertaining to Okinawa land whose lease contracts were about to expire and needed to be renewed.

The Sobe facility contains a 236-square-meter plot owned by Shoichi Chibana, a grocer, who has refused to renew the lease to allow U.S. forces to use his land.

Chibana's land accounts for only 0.04 percent of a 530,000-sq.-meter tract on which the communications facility stands.

Hashimoto, however, is almost certain to face a similar protest in renewing lease contracts for much larger land areas totaling 129,000 sq. meters in May next year, when the contracts expire.

The 129,000 sq. meters of land inside 11 different U.S. military facilities in Okinawa are owned by a total of 2,971 people, who have opposed renewal of the forced contracts. The land in question includes a plot on which a part of a runway at the Kadena Air Base stands.

The mayors of nine cities and towns where the 11 facilities are located have refused to make an announcement on the government request to renew the contracts of the land by the Friday deadline.

Under the local autonomy law, Gov. Ota will be asked to make the announcement by proxy, but he is most likely to refuse as he did earlier with a proxy concerning Yomitan Mayor Tokushin Yamauchi over Chibana's land.

The protest by Okinawa prefectural leaders will render the occupation of the land by the U.S. military lacking in any clear legal basis after the forced lease has expired.

The property dispute between Okinawa and Tokyo started when Ota refused in November to sign documents needed for the continued leasing of land to the U.S. military, following the outcry over the rape of a local girl last September for which three U.S. servicemen are serving prison terms.

Although Okinawa comprises less than 1 percent of Japan's total land area, it is home to U.S. military facilities occupying a total of 244,473,000 sq. meters of land — about 75 percent of the total land area occupied by U.S. military facilities in Japan.

Japan: Hashimoto Asks Ota To Publicize Papers on Okinawa Land Use*OW2406020696 Tokyo KYODO in English
0149 GMT 24 Jun 96*

[FBIS Transcribed Text] Tokyo, June 24 KYODO — Prime Minister Ryutaro Hashimoto on Monday [24 June] signed a request to Okinawa Gov. Masahide Ota for making public the papers facilitating the continued use of a plot of land inside a U.S. military facility, government officials said.

Hashimoto signed a document at his official residence and sent it to Ota, recommending him to publicize the papers on the central government's behalf.

The premier had earlier asked Ota to play a proxy role to make the papers open to the public in Japan's southwestern island prefecture by last Friday. But Ota refused to comply with the request by the deadline, prompting Hashimoto to take the new step.

Hashimoto is asking for Ota's cooperation to help renew a forced land rental contract for the plot inside the U.S. Navy's Sobe communications facility in Okinawa.

If the arm twisting tactics fail this time, the Hashimoto government would be forced to give Ota the order to publicize the papers and, if that fails, it would have to file a lawsuit ordering Ota to take the measures, the officials said.

The Sobe facility contains a 236-square-meter plot owned by Shoichi Chibana, a grocer, who has refused to renew the lease to allow U.S. Forces to use his land.

Chibana filed a lawsuit in April demanding access to and return of his land after the lease contract had expired at the end of March. He later dropped the latter request to focus on the access case.

Although the forced lease has expired, the government continues to allow the U.S. military to occupy the land without any clear legal basis, saying Japan has an obligation to provide land to U.S. forces under bilateral security arrangements.

The supreme court is expected to hear arguments July 10 over the case concerning the constitutionality of the forced lease of land for U.S. military bases in Japan.

Hashimoto expressed sympathy with Ota later in the day, saying he knows that the governor is "not in a position" to obey the instruction.

The premier told reporters at his official residence that he takes the issuance of the request to publicize the documents only to mean that procedures should be objectively followed.

Japan: Okinawa Announces Referendum on U.S. Military Bases*OW2406024896 Tokyo KYODO in English
0244 GMT 24 Jun 96*

[FBIS Transcribed Text] Naha, Japan, June 24 KYODO — The Okinawa Prefectural Government Monday [24 June] announced a referendum to ask local residents whether or not they support a reduction in U.S. bases in Japan's southernmost island prefecture.

The prefectural government also set up a special task force for the referendum, which was voted for last week by the prefectural assembly.

The 13-member task force comprises three groups, one each to take charge of public relations, coordination with local governments, and general affairs, respectively.

The bill for a special ordinance for the referendum was proposed by the Okinawa branch of the Japanese Trade Union Confederation (Rengo), Japan's largest labor organization, following a petition backed by 34,500 signatures for the residential vote.

The ordinance is the first of the kind in a prefecture.

About 75 percent of all land used by the U.S. military in Japan is concentrated in Okinawa Prefecture, although the island prefecture makes up only 0.6 percent of Japan's total land area.

Under an agreement reached in April between Japan and the United States, the U.S. military will vacate some 20 percent of the land it now occupies in Okinawa.

Meanwhile, the Defense Facilities Administration Agency asked Okinawa Gov. Masahide Ota to carry out the legal procedure for forced rental of land in Okinawa for U.S. forces in place of the heads of local governments who have refused to do so.

The request came after the heads of nine of the 10 cities, towns and villages concerned refused to conduct the procedure required to secure forced land rental contracts after the current ones expire in May next year.

Ota, who himself has refused to cooperate with the central government on forced land leasing in Okinawa for U.S. bases, is expected to give the agency the cold shoulder.

Japan: Okinawa Referendum Puts Pressure on Central Government*OW2306064396 Tokyo MAINICHI SHIMBUN
in Japanese 22 Jun 96 Morning Edition p 2*

[Article by reporter Natsuki Mototani: "Prefectural Referendum Bill Approved — 'Okinawa Versus Central

**Government' Confrontation Becoming More Marked;
Psychological Pressure on SACO")**

[FBIS Translated Text] On 21 June, the Okinawa Prefectural Assembly passed a bill setting up a referendum on consolidating and reducing U.S. military bases on Okinawa and reviewing the Japan-U.S. Status of Forces Agreement (SOFA). Although the referendum will not be legally binding, it is applying psychological pressure on the central government, which is planning to compile a final report by the Special Action Committee for Okinawa (SACO) in November. The "Futenma effect," which the central government had hoped would turn the situation in its favor as a result of the decision on the complete return of MCAS [Marine Corps Air Station] Futenma, is starting to fade as Okinawa Governor Masahide Ota has begun to show a negative attitude toward the construction of facilities on other bases on Okinawa to replace the facilities to be returned. On the same day, Prime Minister Ryutaro Hashimoto indicated the central government's irritation, saying: "The impact (of the prefectural referendum) is immeasurable." With the issue arising of drawing up special legislation in the fall to facilitate procedures for the coercive use of land by U.S. military forces, a possibility has emerged in which the "government versus Okinawa" confrontation may further intensify.

In the prefectural referendum, the Okinawa people will be asked whether they are in favor of or opposed to the following proposals: 1) realignment and reduction of military bases, and 2) review of the SOFA. Basically, no one "would be able to express opposition" (according to a senior official at the Defense Agency [DA]). Thus, the prefectural government hopes this will be an occasion for the Okinawa people to clearly express their opinions once again. However, some central government officials are showing displeasure, saying: "It is just the same old political tactic that Governor Ota always employs, backed up by the Okinawa people's opinion" (as stated by the same DA official).

The central government is bothered by the possibility that, if the construction of a heliport necessary to replace MCAS Futenma should face rough sailing due to local opposition, the scenario drawn up in the SACO interim report may fall apart.

Meanwhile, the construction of a new heliport and the strengthening of Kadena Air Base functions are conditions that the prefectural government will find it hard to accept. The prefectural government is distrustful and wary of moves in some quarters of the government and ruling coalition parties to try to enact special legislation to facilitate procedures for the enforced use of land by U.S. military forces. If the outcome of the

prefectural referendum should clearly show that local municipal governments are opposed to the attached conditions, it is likely to cast a shadow on the course of the SACO's consultations.

**Japan: Local Council for Futenma Land Return
Formed**

*OW2106122496 Naha OKINAWA TIMES in Japanese
20 Jun 96 Morning Edition p 2*

[FBIS Translated Text] As a follow up to an interim report prepared by the Special Action Committee on Okinawa (SACO), the Okinawa General Bureau [OGB; under the Okinawa Development Agency] recently set up an "Okinawa General Bureau liaison council for issues regarding the return of Marine Corps Air Station Futenma." The council's objective is to give advice from a comprehensive viewpoint to the prefecture and concerned municipalities in connection with how to utilize the land after its return.

Within the council, the OGB will set up a subcommittee and appoint contact officials as subordinate organizations, with the aim of discussing in detail such issues as disposition of state land and land readjustment projects.

Last June, in line with enforcement of a law on special measures to promote the utilization of military land, an "Okinawa General Bureau liaison council for utilization of land after the return of land used by the U.S. forces" was set up in the bureau. However, this council was absorbed into the new council, which was established after the cabinet decided (on 16 April) to promote the settlement of the U.S. military base issues.

The new council is composed of nine bureau division chiefs, with OGB Chief Kazuo Tamaki serving as chairman. As subordinate organizations, a subcommittee composed of 22 section chiefs will be set up and a contact official will be designated for each division.

The general affairs division will give advice to the prefectural office and municipalities from a comprehensive point of view; the financial division gives advice for disposition of state-owned land; the agriculture and fishery division for soil amendment projects; the commerce and industry division for invitation of companies to set up factories or branches in Okinawa; the transportation division for the improvement of transportation and communications systems; and the development and construction division for road construction planning and land readjustment.

"Town redevelopment has to be done under a local public office's initiative. We want to give advice to a plan proposed by those concerned," OGB Chief Tamaki said.

Japan: Kajiyama Urges U.S. To Accept Some Futenma Base Functions

OW2306070196 Tokyo KYODO in English
0633 GMT 23 Jun 96

[FBIS Transcribed Text] Tokyo, June 23 KYODO — U.S. domestic military bases should accept some of the functions of a key Marine base in Okinawa Prefecture to be relocated, Chief Cabinet Secretary Seiroku Kajiyama said Sunday [23 June].

In a program on Television Tokyo Channel 12, the chief government spokesman said, "I hope some part will be accepted by the U.S. military" in such locations as Hawaii and Guam.

The United States agreed with Japan in April to return the Marine Corps Air Station Futenma to local landowners in five to seven years on condition that functions of the facility will be relocated to other U.S. bases within Okinawa and Yamaguchi Prefectures.

However, residents near locations where the functions may be relocated are against accepting those U.S. military functions in their backyard.

Kajiyama said some system is needed to encourage moving U.S. bases from Okinawa Prefecture to the mainland, apparently referring to such means as granting subsidies to local governments accepting the facilities.

The Japan-U.S. accord was signed in the wake of Okinawa people's wishes to reduce the local base presence since some 75 percent of all the land in Japan reserved for U.S. military use is located in Okinawa Prefecture, although the island accounts for less than 1 percent of Japan's total land area.

Kajiyama also predicted that an extra Diet session is likely to convene as early as October, but a sooner session is unlikely because of Prime Minister Ryutaro Hashimoto's proposed participation in the U.N. General Assembly in late September.

Some politicians have called on convening an extra parliamentary session this fall to enact a pump-priming supplementary budget.

Japan: Ruling Parties Reject Policy Shift on Collective Defense

OW2106123696 Tokyo KYODO in English
1134 GMT 21 Jun 96

[FBIS Transcribed Text] Tokyo, June 21 KYODO — A ruling coalition panel on security affairs confirmed Friday [21 June] that the government should not change its current interpretation of the constitution and exercise the right of collective defense, officials said.

The panel, set up to fine-tune opinions among the three coalition parties on a review of the Japan-U.S. defense guidelines, also agreed to discuss ways to rescue Japanese nationals abroad and a possible influx of refugees in times of emergencies, the officials said.

Further, it agreed to send a coalition mission to the United States in September for talks with U.S. officials on issues related to the review of the 1978 guidelines, they said.

The ruling party group is planning to take up specific crisis scenarios and study whether they would fall within the category of constitutionally prohibited collective defense, the officials said.

It is scheduled to draw up an interim report on the guideline review around September after soliciting opinions from the Foreign Ministry and the Defense Agency, as well as from academics, they said.

Japan: Experts Discuss Collective Security, Okinawa

OW2106150796 Tokyo CHUO KORON in Japanese
Jul 96 pp 62-69

[Dialogue between Motoo Shiina, upper house member, and Hisahiko Okazaki, former Japanese ambassador to Thailand: "Discussion About the Collective Defense Right Should Not Be Avoided"]

[FBIS Translated Text] The Okinawan Problem Has Become a Domestic One

[Okazaki] The Japan-U.S. summit held the other day was a success, was it not? I went to the United States immediately after the summit and recently returned to Japan. I found that the atmosphere in the United States had completely changed. There are two things that worry me for the future. One is that there will be Japanese who will try to frustrate the two countries' endeavors. For only two months ago, media commentators were saying that when U.S. President Bill Clinton came to Japan, they would conduct a campaign for the reversion of military bases as well as for "yankee-go-home." However, the situation changed for firm maintenance of the Japan-U.S. Security Treaty, so they experienced frustration. For this reason, it is certain that there will be a backlash.

Another fear is that there will be undue expectations on the United States' part due to its satisfaction with the results of the summit. The U.S. thinks that now that Japan has become a partner, it will fight in cooperation with the United States in any emergency. I am in fear of frustrations that the United States will experience when it is betrayed.

[Shiina] The return of [Marine Corps Air Station] Futenma has become a reality, has it not? It is said that Japan pleaded with the United States for its return.

[Okazaki] As for the background, although Governor Ota has been for the Japan-U.S. alliance from the start, he judged that unless Futenma was returned, it would be hard to allay the Okinawan people's troubled feelings. It is said that Governor Ota conveyed this to Prime Minister Hashimoto, who told President Clinton in Santa Monica.

On the other hand, the contention had been raised in Japan at that time that "we must sympathize with Okinawa because only Okinawa is sacrificing itself" and that "Japan proper also must share an equal burden if the Japan-U.S. alliance is important." This contention had become almost a principle that no one should oppose. If this theory is developed further, it will come to this: An important base, like Futenma, in case of an emergency will never be returned unless Japan says that "Japan proper also will make a serious effort in case of an emergency in the Far East." This became a central thought of the Liberal Democratic Party, with the Cabinet Secretariat as the center. New Party Sakigake came to support the thought. The Social Democratic Party kept silent.

As for the United States, U.S. Defense Secretary William Perry, who is essentially a man of action, said, "Let us do it," accepting Japan's proposal. Another good thing was that Governor Ota was a man of honor. When the return of Futenma was decided, he said, "Thank you, thank you," instead of furthering his fight by saying, "We will continue to fight until the last Marine leaves Okinawa." If everyone observes intellectual honesty like Governor Ota, Japan will become a better country.

[Shiina] It is significant in that the Okinawan problem, which has been a Japan-U.S. problem and had been thrown into confusion, has definitely reverted to a domestic problem again.

[Okazaki] Japan will no longer complain to the United States of the Okinawan problem.

[Shiina] However, there is a strong view, "Is it all right to say such a thing [Japan proper also must share an equal burden if the Japan-U.S. alliance is important] without a long-range view? We should say such a thing after laying the groundwork for it." How are we going to overcome that view?

[Okazaki] Japanese officials will say that "they never heard of that." Among themselves, "we never heard of that" can become a reason for opposition.

[Shiina] What are we going to do about that?

[Okazaki] It is also a domestic problem. Since it is a domestic problem, Japan-U.S. relations cannot be impaired even if the problem is not solved.

[Shiina] What do you mean?

[Okazaki] It only means that the return of Futenma will be delayed. Even if our promise to solve our problem within five years is prolonged to seven years, or even if we "apologize" to the United States for our inability to solve our problem after seven years, the United States will only say that "we will return Futenma if you solve your problem."

[Shiina] The problem is whether Okinawan people will continue to think that what is important is the promise to return Futenma. We will be in trouble if they say, "We cannot wait any longer."

[Okazaki] The situation in the Far East, such as on the Korean peninsula, will undergo a great change in five or seven years.

[Shiina] Therefore, we can observe the situation to some degree.

[Okazaki] Everything went well this time. (laughter)

[Shiina] I think the lesson this time will be valuable. During the Iran-Iraq war, when I was asked "if Japan would dispatch mine sweepers," I told my men to say that "Japan would." It was thinkable that the war would end while we were doing something or other, saying that "we must make preparations for our departure because we are going that far." It is important to have one's say.

[Okazaki] At that time, I was ambassador to Saudi Arabia. Japan offered to make a communications center there and asked a United Kingdom company to build it, which pleased both the United Kingdom and the United States. However, the war ended before we could do anything about it. (laughter) Therefore, what we had said brought us a benefit.

[Shiina] Yes, such a thing will happen. If we say it after laying the groundwork, we will have to pay dearly. Furthermore, we will have to do the work to the extent the groundwork has been laid.

"Self-Defense Right Inherent in Japan" and the Constitution

[Okazaki] Next comes the problem of the exercise of the collective defense right.

[Shiina] We must have a discussion about what we can and cannot do.

[Okazaki] The discussion can be held in the following three areas: First, to clarify the interpretation of the gray zone; second, how to position what can be explained under the right of individual defense, such as the dispatch of mine sweepers; third, to drastically change the interpretation of exercise of the collective defense right. However, what the current coalition government can do is the first area — classify things into black or white.

[Shiina] Compared with mine sweepers, sub-spotting planes are extremely useful, are they not?

[Okazaki] It is said that P3C's are capable of such a long-distance flight that they can cover the whole area from Okinawa to the Malacca Strait.

[Shiina] Therefore, it is difficult to explain the use of P3C's under the individual defense right, is it not?

[Okazaki] Yes, it is. Although we can explain it, it is a legal fiction.

[Shiina] That is right. We had better not resort to deceptive measures too much.

[Okazaki] It is more honest to explain the use of P3C's as the exercise of the collective defense right with the United States or ASEAN. If we do not, we will be placed in a peculiar situation. For example, when we locate a submarine, "that action constitutes exercise of the collective defense right because the submarine was not targeting a Japanese ship but a Philippine ship." (laughter)

[Shiina] To cite another example: Even if a ship is carrying oil to Japan, "it is of Panamanian nationality, does not have Japanese on board, and is not flying a Japanese flag. Therefore, it is not a Japanese ship. Then, why should we defend it?"

[Okazaki] As to that, we can explain that it is to protect the transportation of goods intended for Japan. Instead of taking such a troublesome means, we had better get at the root of the collective defense right.

The other day, a Japan-U.S. alliance meeting was held in the United States. All the papers submitted by the U.S. had to do with the collective defense right. When I went to the Pentagon a few days before the meeting, one of the Pentagon officials said to me, "You are going to hold a collective security festival, are you not?" He called the meeting a festival. (laughter)

During our discussions at the meeting, I noticed something for the first time. It is that the United States thinks "the Japanese will be open to reason in case of an emergency" will not do.

[Shiina] I think the Japanese are at their worst "in case of an emergency."

[Okazaki] If Japan says during strategy discussions that "it will not do because it is tantamount to the exercise of the collective defense right, or that it will not do at all," the men elaborating an operations plans will get tired of the whole business and will try to make a plan without relying on Japan. That alone will weaken Japan's most important, basic reliability. Now, even if Japan says "it will provide airplanes," saying that "if not, the U.S. Congress and public opinion will become furious," space for Japanese airplanes is not provided at an airfield. The men on the spot will say, "Stop talking about that. If you had that in mind, why did you not tell us about it earlier."

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Japan's most important, basic reliability. Now, even if Japan says "it will provide airplanes," saying that "if not, the U.S. Congress and public opinion will become furious," space for Japanese airplanes is not provided at an airfield. The men on the spot will say, "Stop talking about that. If you had that in mind, why did you not tell us about it earlier."

[Shiina] Even if Japan could do something in case of an emergency, it will be regarded as "a country that will do anything whether there is a law or not." Then this will be remembered for 100 years. Even so, if Japan says "it cannot do such a thing," it will be classified as a country that does not count.

[Okazaki] That is specifically written in the papers — "be classified as an undependable country."

[Shiina] The U.S. may use such a country as long as its services are available, but does not rely on the country in case of an emergency. And, when such a country asks for help in an emergency, the U.S. will ignore it, will it not?

[Okazaki] According to the same Pentagon official, personnel in charge of Japan in the State Department or the Defense Department, who are familiar with Japan's situation, could say that "Japan is such a country." However, administrative officials who begin the study of emergencies do not consider Japan's situation, leading to their frustration with their work, according to the same source.

[Shiina] If a very brave man of the United States says to Japan, "In case of an emergency, we will gain control of civilian airfields and will make them available, so do not worry," that will spoil everything, will it not?

[Okazaki] However, everyone thinks that will be the case in an emergency.

[Shiina] That is unusual. In short, it is suspension of law. We had better take measures so that there will be no suspension of law. That makes me think that a fundamental defect in Japan's Constitution is that there are no provisions for emergencies. The Self-Defense Forces (SDF) Act provides for their dispatch, but the Constitution does not.

[Okazaki] The Constitution does not provide for the SDF. Nothing is written about them in the Constitution. (laughter) The court says that the Constitution does not form the basis for the SDF. According to the court, the basis for the SDF is the "right of defense inherent in an independent country." In French it is called "droit naturel." It is the natural right. The natural right is an unwritten law existent before the Constitution. A country must defend itself if attacked or seek an

alliance if it is impossible to defend itself alone. This is what the natural right is all about. The Constitution comes into the picture when it recognizes the right of individual and collective defense. The government also recognizes that right, but the problem is that the government says exercise of the collective defense right is unconstitutional.

[Shiina] Where is the dispatch order provided for?

[Okazaki] The dispatch order derives from the natural right, or rather from the inherent right of defense.

[Shiina] When the SDF has engaged in various activities following the dispatch order based on this inherent right, there will be numerous activities that violate the Japanese Constitution, will there not?

[Okazaki] In that case, the Constitution says, "Anything that conflicts with the Constitution is null and void."

[Shiina] What is null and void?

[Okazaki] That which does not conform with the Constitution.

[Shiina] I think so, too. Then, actually it is impossible to take action.

[Okazaki] Or invalid action will take place. However, to have a right means to have the right to exercise the right. When one has bought a house, one has the right to live in it. However, "if some one says you have a right, but the right to exercise the right is different, so you cannot live in the house," that will impair the reliability of the language itself. Since a country has the right of self-defense, naturally the country has the right to exercise that right. However, according to a strange interpretation of today, some action must be construed as invalid.

[Shiina] That means we have to take action in spite of a law to the contrary.

[Okazaki] That will be an action that is above the law, like action taken in a hijack case. That is an absurd case.

[Shiina] That will not do. We had better thoroughly discuss even a case like that.

Meaning of the "Free Port Plan"

[Okazaki] It is said that 1 trillion yen will be necessary to solve the Okinawan problem, and various plans are being presented. I think your "free port plan" is fit for Okinawa.

[Shiina] I published my "free port plan" last year. The idea was to reform Japan a little. When it comes to deregulation, everyone says "structural reform is necessary," but it does not make smooth progress.

Therefore, my idea was to conduct an experiment somewhere.

The timing of the publication of my plan coincided with Tokyo Governor Aoshima's suspension of the world city exhibition, so my plan was thought to be intended for the construction of the Tokyo subcenter. However, that was not the case. If some place wanted to adopt my plan, it was all right with me. In reality, I wanted my plan to be adopted by Japan as a whole.

[Okazaki] Your plan was once proposed for the "reconstruction of Kobe city."

[Shiina] There are many proposals for my plan. However, I have never proposed my plan to any place. However, I think it is really good if my plan is adopted for Okinawa. Okinawa's size is just right. My plan would never work unless there is enough space.

This free port has various functions: First, there is a free market where one can make purchases. Second, there is finance and industries.

[Okazaki] It is a zone where deregulation is practiced.

[Shiina] Third, there will be culture, education, and medical institutions. Last, there will be residences. It is very difficult to implement all of these. However, to realize a society where there are really no regulations, it is better to implement them all.

From its geographical location, Okinawa itself wants to make overseas expansion to the south and west. The problem then is, after all, that of regulations. Hong Kong will soon lose its power; so we had better do our work with the intention of moving Hong Kong to Okinawa.

[Okazaki] This is to make an international free trade zone. If that is the case, we must make our tax system international. For example, if Okinawa adopts, like Hong Kong, a uniform 15 percent tax system, enterprises' main offices will steadily leave Hong Kong for Okinawa. And Okinawa will enjoy prosperity. (laughter) Yaohan Department Store Co., Ltd., which moved to Hong Kong, pays only 15 percent tax, so the company is much more powerful than any other Japanese company. Okinawa's free trade zone has the effect of attracting to Okinawa companies thinking of moving to Hong Kong or other places.

[Shiina] That is right.

[Okazaki] Okinawa's free trade zone would lead to the economic development of Japan itself. Deregulation is said to be the key to economic vitalization. There seems to be resistance to deregulation everywhere. There is a strategy for counterterrorism warfare. In short, to give 50 percent security to an area of 100 percent is meaningless

because that will only lead to the guerrillas' victory. However, if we give 100 percent security to an area of 50 percent and launch our action from there, victory over the guerrillas is said to be certain. I am a former government official, so I do not call government offices' resistance guerrilla warfare. (laughter) There are more than 10,000 regulations, so defeating them one by one does not lead to victory. If we make one free zone and launch liberalization from there, its realization is possible.

[Shiina] Government offices are convinced that reduction of taxes does not increase the total revenue, so they are afraid of reduction. The "abolition of income tax" will decrease the tax revenue by more than 10 trillion yen. They will say, "What are we going to do with public investment or welfare?" Actually, however, Hong Kong is enjoying prosperity in spite of that.

[Okazaki] If we stay in Honolulu or San Francisco for more than half a year, it is all right to pay taxes according to the U.S. tax system. Therefore, there are some people who travel hard for that purpose. However, it is much easier for them to go to Okinawa. (laughter) Then, instead of going to those places, money will stay in Japan. It is significant in that it can check the overseas flight of capital. However, considering the distance from Japan proper to Okinawa, it is improbable that Mitsui, Mitsubishi, and all other companies would move their main offices to Okinawa.

[Shiina] We will never know. (laughter)

[Okazaki] If all businesses go to Okinawa, Tokyo will become empty.

[Shiina] That is why Japan as a whole must do something that prevents hollowing out.

[Okazaki] I see.

[Shiina] Such an experiment is good for Japan as well. Instead of puny subsidies, we should implement something full-scale for Okinawa, which has suffered great hardships. Okinawa became a special area after the end of World War II, and before the reversion of Okinawa to Japan, Okinawa's chief executive could always meet the prime minister whenever he came to Japan. However, following its reversion to Japan, Okinawa became one of the 47 urban and rural prefectures and has received the same treatment as any other prefecture. Despite that, the burdens Okinawa had borne during the days of its special era remain today. Japan says "we have compensated Okinawa for its burdens," but Okinawa has not received benefits as a whole. We should revert Okinawa to its former state.

[Okazaki] To a special zone.

[Shiina] New Zealand has become better through a very drastic liberalization. We should follow its example. We can do it if only we try.

[Okazaki] It will be interesting if it is realized.

Special Nature of Politics

[Shiina] The budget passed the Diet at long last. I remember something strange about the housing loan company [jusen] issue. Two amendments were presented at the upper house. One was presented by the Japan Communist Party [JCP]. It demanded that 685 billion yen be eliminated and that special government bonds corresponding to that amount should be reduced. The New Frontier Party [NFP] also presented an amendment, saying that it cannot pass the government bill without doing anything about it.

Now what should we do after the elimination? The NFP said that the Bankruptcy Act should be applied, or that special loans from the Bank of Japan should be used as an immediate measure. The JCP said, "What is important now is elimination, so please approve this." However, as the purpose of this amendment, the JCP gave the following, "It is outrageous that the recent Japan-U.S. joint declaration advocated the expansion of armaments. Is it all right to buy a fighter that costs several billion yen?" The JCP should have included these statements in its amendment to the bill — theoretically speaking, "elimination of all defense expenses," for example.

[Okazaki] Did the JCP not include that in its amendment to the bill?

[Shiina] No, it did not. Usually, an amendment specifies that "this part should be amended." Conversely, the rest is all right as it is. Most people do not pay attention to this. When I said to a JCP member that "if you submit this amendment, this means that the rest is all right," he said, "Come to think of it, you are right." (laughter)

The NFP submitted an amendment, with the government's original bill intact with regard to deficit government bonds. If the NFP approves the government bill, that means there is a residue of the budget.

[Okazaki] Certainly there will be a residue. (laughter)

[Shiina] I said to a NFP member, "What is the meaning of this?" He said, "Theoretically, something must be wrong." (laughter) Is that what politics are all about?

[Okazaki] In case of the United States, Congressmen thoroughly check an amendment before it is submitted to Congress. That is possible because they have a large of number of staff members.

[Shiina] In the United States, Congress makes up a budget bill, so it increases what should be increased and decreases what should be decreased.

[Okazaki] Logic is well coordinated.

[Shiina] In the first place, the jusen issue is, so to speak, just one line among several thousand lines in terms of the budget. Compared with a private business, the jusen debt can be compared to a loss of tens of millions of yen incurred by one department among various departments. Other departments will say, "It is none of our business, because it is the business department's responsibility. Let that department take care of it." The president of the business will say, "That is right." Then he will go to a bank to borrow money to cover the loss.

The total budget stands at 70 trillion yen, and the jusen budget amounts to about 1 percent of the total. If there is a deficit of 685 billion yen at the last stage, the usual practice will be, "We will manage by collecting money bit by bit."

[Okazaki] Yes, in the case of a private business.

[Shiina] What is interesting is that is not the case. This shows an extremely special nature of politics.

[Okazaki] In short, all they have to do is to reduce all the budgets by 1 percent except the jusen budget.

[Shiina] That is right. However, that is the same as using public money, that is, the use of tax money. Politics discusses this point as if it is an affair of great importance. This is unbelievable from a business point of view.

Japan: Hashimoto To Call for More Control of Nuclear Weapons

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0120 GMT 22 Jun 96*

[FBIS Transcribed Text] Tokyo, June 22 KYODO — Japan's Prime Minister Ryutaro Hashimoto will use the Lyons summit of the Group of Seven (G-7) industrialized nations from next Thursday [27 June] to call for greater control of international sales of nuclear weapons, Foreign Ministry sources said Saturday.

Hashimoto will criticize Chinese plans to purchase intercontinental ballistic missiles from Russia, as revealed by U.S. Secretary of Defense William Perry, and weapons deals involving Iran and other countries, the sources said.

He will also raise the issue of Russian gangs dealing in fissionable substances and weapons of mass destruction and call for an international framework of controls on those weapons and substances, they said.

While it is rare for a Japanese leader to cite countries by name at a summit, the sources said Hashimoto wants to raise Japan's leadership profile on the issue of disarmament by appealing to the participants for an early conclusion to agreements on the control of land mines and a comprehensive nuclear test ban treaty.

The United Nations responded to a Japanese proposal to set up a system for registering the transfer of conventional weapons in 1992 and releases information on their import and export. Many countries, however, do not submit reports.

The prime minister will propose strengthening of the system through establishment of an effective international framework, the sources said.

They said Hashimoto's comments will amount to criticism of Western countries which have expanded their arms business since the end of the Cold War.

Although the comments may not be incorporated directly in the closing chairman's statement, Japan at least will have put forward its proposal, they said.

The sources said that in 1994, in response to heightened criticism of Russia's treatment of Asia as its largest source of foreign currency from weapons exports, then Russian Foreign Minister Andrey Kozyrev proposed establishment of a framework of controls on international arms sales. However, it was not realized.

Japan: G-7 Leaders To Discuss Challenges of Globalization

*OW2406095696 Tokyo KYODO in English
0908 GMT 24 Jun 96*

[By Yoichi Kosukegawa]

[FBIS Transcribed Text] Tokyo, June 24 KYODO — Leaders from the Group of Seven (G-7) industrialized countries will meet in Lyons, France, for three days from Thursday [27 June] to discuss challenges in an age of rapidly integrating economies, including high levels of unemployment and debt relief for developing nations.

One key matter will be what message the G-7 nations send to Russia in terms of helping to integrate it into the international community.

Russian President Boris Yeltsin's decision to cancel a trip to meet with the G-7 leaders in Lyons, however, will apparently dampen G-7 efforts to make the summit a place to spotlight Yeltsin by clarifying support for his reform policies, political analysts said.

The Lyons summit will come shortly ahead of the July 3 runoff election for the Russian presidency. Yeltsin, running in a tight race against Communist Party leader

gennady zyuganov, announced last week he will not attend the summit to focus on the election campaign.

Russia is not a member of the G-7 but attended political discussions that have been held following the economic summit for the last several years.

The G-7 members are Britain, Canada, France, Germany, Italy, Japan and the United States.

At the Lyons summit, reform of the United Nations and other international organizations are expected to be discussed. Heads of four international bodies — the U.N., the World Trade Organization (WTO), the International Monetary Fund (IMF) and the World Bank — are invited to join in talks with the G-7 leaders.

The discussions between the G-7 leaders and the heads of four international organizations, however, could focus on U.N. Secretary General Butrus Butrus-Ghali's bid for reelection, according to U.N. diplomatic sources.

At the summit, Butrus-Ghali is likely to make an appeal for support from the G-7 nations for a second term, the sources said.

U.S. President Bill Clinton has decided not to support Butrus-Ghali, though, and will likely try to persuade other G-7 partners to oppose his reelection, the sources said.

The G-7 nations will start the Lyons summit Thursday night with a working dinner.

During the economic session Friday morning, discussions are expected to focus on negative aspects of the "globalization" of economies.

According to Japanese officials, the G-7 nations will express firm resolve toward a successful conclusion of the WTO's first ministerial meeting in Singapore in December, noting that freer trade and investment are the driving forces behind globalization.

However, there may be heated exchanges among the G-7 nations over whether to link labor standards and other human rights with trade issues, the officials said.

At the recent meeting of the International Labor Organization, France and the U.S. renewed calls for the WTO to study the link between labor standards and trade.

France and the U.S. have argued that inflows of cheap products made by developing countries with loose labor standards are posing a threat to jobs and industries in industrialized countries.

Japanese Prime Minister Ryutaro Hashimoto, however, said, "Japan will oppose the idea of linking human rights with trade, since it could lead to protectionism."

According to Japanese officials, the G-7 nations will also discuss ways to ease the debt burden of the poorest countries, which have fallen behind the globalization.

The G-7 nations are expected to endorse a framework presented by the IMF and the World Bank to reduce debts owed by a limited number of poor countries to international lending institutions, the officials said.

The seven economies will also support results-oriented development programs proposed by Japan as the "new global partnership" between industrialized countries and developing countries, they said.

The program calls for cutting the number of the world's poorest nations in half by 2015 and reducing infant mortality by two-thirds worldwide by that year, the officials said.

On the development issue, Japan is also calling for channeling funds saved through streamlining efforts at international organizations to development projects for poor countries.

In the political session to be held on the final day Saturday, meanwhile, the G-7 nations are expected to exchange views on support for Russia's reforms as well as peace initiatives in the Middle East and Bosnia.

Hashimoto, as the only G-7 leader from Asia, will stress the need to integrate China into the international community by pushing Beijing's bid to join the WTO, Japanese officials said.

Japan: Hashimoto To Propose Separating Employment, Trade at Lyons

OW2406115296 Tokyo TOKYO SHIMBUN
in Japanese 23 Jun 96 Morning Edition p 3

[FBIS Translated Text] During the G-7 summit meeting, which opens 27 June in Lyons, France, Prime Minister Ryutaro Hashimoto will propose that when considering economic conditions of the developing countries, including ASEAN nations, the G-7 leaders should separately discuss "employment and trade" issues, over which the G-7 nations are expected to have difficulty coordinating their opinions. By making the proposal on behalf of the developing countries, Hashimoto hopes to explain Japan's independent standpoint as a representative of Asia. This was disclosed by a government source on 22 June.

Hashimoto has shown some understanding of the assertion by the United States and France, who are annoyed by high unemployment rates at home, that the G-7 nations should promote discussions by linking employment with trade problems. He said: "We have to squarely face the political reality that some countries

are annoyed by high unemployment rates." But he added: "To avoid unnecessary opposition from developing countries, we should promote discussions by not linking employment with trade issues," noting the need for the G-7 leaders to separate them at the summit. The government is currently working out the details of Hashimoto's proposal, which is expected to be accepted by other G-7 leaders and reflected in the economic declaration to be issued during the summit.

The United States and France assert: "Developing countries are rapidly expanding their exports while ignoring labor standards," stressing that their high unemployment rates are resulting from cheap labor in these countries. They claim that the problem should be discussed by the World Trade Organization.

This year's jobless rate in France, the host of the Lyons summit, is expected to exceed 12 percent. Thus, the country is strongly opposed to the trend of free trade expansion.

In contrast, Japan, Britain, and Germany take the stand that "whether or not labor standards are observed has almost no influence on trade." Concerning the proposal by the United States and France that import restrictions and other measures should be adopted to press developing countries to observe labor standards, they claim: "It is inappropriate to adopt such measures because they will hinder economic growth in developing countries," (according to a government source). The G-7 leaders will have to make efforts to coordinate their conflicting opinions until the last moment.

The government regards the Lyons summit as an "occasion to state the views of countries in the Asia-Pacific region and demonstrate Japan's leading role," (according to Kazuo Ogura, deputy vice minister of foreign affairs). At the summit, Hashimoto plans to take up Asian issues, including the situations in China and the Korean peninsula. During economic talks, he will act as an intermediary between Asia and Europe.

Japan: Murayama Urges Hashimoto To Seek G-7 Talks on Nuclear Tests

*OW2406064396 Tokyo KYODO in English
0556 GMT 24 Jun 96*

[FBIS Transcribed Text] Tokyo, June 24 KYODO — Former Prime Minister and Social Democratic Party leader Tomiichi Murayama urged Prime Minister Ryutaro Hashimoto on Monday [24 June] to propose an immediate ban on nuclear testing at the Group of Seven (G-7) summit in Lyons, France, starting Thursday, government officials said.

Murayama met Hashimoto and urged him to seek the summit's support for an immediate test ban and early conclusion of the proposed comprehensive test ban treaty, the officials said.

Hashimoto told Murayama that Germany and France are concerned about the absence of Russian President Boris Yeltsin from the meeting, adding it is unclear whether discussions will be focused on the planned summit agenda, such as arms reduction.

Murayama also asked Hashimoto to make clear at the summit that Japan will never use its military even if Japan obtains permanent membership of the U.N. Security Council.

The three-day Lyons summit will bring together leaders from Britain, Canada, France, Germany, Italy, Japan and the United States.

Japan: Hashimoto Wants G-7 To Discuss Developing Nations

*OW2106123296 Tokyo KYODO in English
1218 GMT 21 Jun 96*

[FBIS Transcribed Text] Tokyo, June 21 KYODO — Prime Minister Ryutaro Hashimoto told the French press Friday [21 June] that the upcoming summit of the Group of Seven (G-7) industrialized countries should fully discuss issues facing developing nations, a Foreign Ministry official said.

Hashimoto expressed hope the G-7 nations will agree to promote cooperation among themselves to assist developing countries toward achieving such concrete targets as halving the number of the world population living in poverty, reducing infant deaths and promoting primary school education.

The June 27-29 summit in Lyons, France, also should lend an impetus to ongoing negotiations at the International Monetary Fund and the World Bank to alleviate the developing countries' debt burden, he said.

Hashimoto gave an hourlong interview at his official residence with seven French media companies, including AGENCE FRANCE-PRESSE, LE MONDE, LE FIGARO and LIBERATION.

The prime minister reiterated his support for French President Jacques Chirac, who will chair the Lyons meeting, on the president's initiative that the summit focus on economic "globalization," the official told Japanese reporters after Hashimoto's session with the french journalists.

Hashimoto, however, said the summit should also discuss making the goods, services and labor markets more

flexible, and promoting deregulation so that movement across global economies will be freer.

These measures are necessary to counter the negative impacts of "globalization," Hashimoto said, referring to the reduction of employment at companies and the decline of certain industries in some countries.

Japan has much interest in world labor conditions and human rights, but these issues should be discussed at the international labor organization, not at the G-7 summit, as linking trade and these issues may lead to protectionism, he said.

Hashimoto said dialogue with China is essential for the sake of stability in the Asia-Pacific region and the whole world, but he replied negatively when asked if Beijing should be admitted to the G-7 forum, the official said.

The premier voiced reservations about admitting any new members to the G-7, saying the group — comprising Britain, Canada, France, Germany, Italy, Japan and the United States — is for frank discussion on policy coordination among developed and democratic countries.

He also said Japan is prepared and qualified to fulfill its responsibilities if its bid to gain permanent membership in the UN Security Council is realized.

Japan has financially contributed to the United Nations, participated in UN peacekeeping activities, played a role for disarmament and nuclear nonproliferation, and helped developing nations, the premier said.

The Japanese Government arranged the joint interview with the French media prior to Hashimoto's participation in the summit.

Tokyo To Announce Special Aid to African Countries at G-7

*BR2006143696 Paris LES ECHOS in French
20 Jun 96 p 4*

[Report on interview with Japanese Deputy Foreign Minister Kazuo Ogura, by Nicolas Barre in Tokyo on 19 June: "G7 Summit in Lyons: Tokyo To Announce Special Aid Package in Favor of African Nations"]

[FBIS Translated Text] Tokyo — In a joint interview with LES ECHOS and THE FINANCIAL TIMES, Japanese "Sherpa" and Deputy Foreign Minister Kazuo Ogura told us yesterday that Tokyo intends to put the focus on development aid and will announce a special aid package for the least well-off African nations at the G7 meeting to be held in Lyons at the end of June. The leading donating country in absolute terms, followed by France since 1995, Japan will announce a budget of around \$100 million for those African countries suffering the most from underdevelopment.

Kazuo Ogura said: "There is an inherent danger in the globalization of the economy: Leaving the poorest countries by the wayside. Our idea is to build a partnership with these countries to help them, not just through government aid but also by developing trade and private investment." To do this Tokyo is suggesting that the rich nations determine with these countries "concrete objectives to be reached in the medium term: For example, achieving a given rate of full-time education by 2010 or 2015, reducing the infant mortality rate, etc." According to Kazuo Ogura, the aim is to "set in place a new development strategy." In any event, it is in this perspective that Japan will announce a financial effort targeted in particular at a certain number of African nations.

In Favor of Chinese Membership of WTO

Japan also believes that the reform of the UN economic institutions — one of the issues that will be debated at the summit — will make it possible to save around "10 or even 20 percent of their budget." Here again, Kazuo Ogura said, the aim is to "recycle this money in the form of development aid." While it is taking a stand on these issues, Japan is nevertheless much more reserved on the negative social consequences of the process of globalizing the economies of developed countries. The Japanese official said: "We are talking about strengthening the structures in the countries concerned." In short, Europe should not truly expect Tokyo to share its concerns of rising unemployment. A fervent supporter of bringing China into the WTO, Japan hopes that the Lyons summit will provide a forum for developing "international awareness" on this issue. "China's application has been on the table for a long time and it is increasingly unnatural that its membership of the WTO, which includes very clear rights and obligations, should be constantly postponed." A high-level international meeting on this very subject will be held in Tokyo this autumn.

Finally, in the margins of the summit, the Japanese prime minister will be meeting with President Bill Clinton for talks on two disputes in particular: the opening up of the Japanese insurance market and access for foreign companies to the semiconductors market.

Japan: Draft Economic Communiqué Outlines G-7 Stance

*OW2306012596 Tokyo KYODO in English
0054 GMT 23 Jun 96*

[FBIS Transcribed Text] Tokyo, June 23 KYODO — The Group of Seven (G-7) industrialized nations will point to the need for pushing government deregulation and economic restructuring in order to ensure sustained

economic growth and resolve the unemployment issue when they gather in Lyon, France, for a three-day annual summit starting Thursday [27 June], a business daily reported Sunday [23 June].

The wording is contained in an economic communique the G-7 nations are to adopt Friday, the second day of the gathering, the NIHON KEIZAI SHIMBUN said, quoting a draft of the communique.

The G-7 is made up of Britain, Canada, France, Germany, Italy, Japan and the United States.

The communique will also call for reducing fiscal deficits to secure stability in long-term interest rates and doubling the general arrangements to borrow (GAB) of the International Monetary Fund, the paper said.

The GAB is aimed primarily at having emergency resources in place before the occurrence of another fiscal crisis similar to the one that happened in Mexico.

On currency trading, the G-7 will reaffirm the need for continued cooperation in ensuring stability in foreign exchange rates, the daily said.

On international trade, the G-7 will propose in the communique that the World Trade Organization (WTO) deal with ways to promote investment, prevent corrupt business deals, and resolve environmental questions, among other things, at its first ministerial meeting to be held in Singapore in December, according to the newspaper.

The following is a gist of a draft economic communique.

The G-7 will:

- Promote reforms of economic structures through deregulation in order to settle the serious jobless issue.
- Strive to cut fiscal deficits for sustained economic growth.
- Beef up collaboration to ensure stability in international financial transactions.
- Seek to make a success of a ministerial meeting of the WTO in December, thus enhancing the multilateral trade system.
- Support a new development strategy that includes specific goals.
- Press ahead with streamlining of international organizations and earmark proceeds from such rationalization for investments in the developing world.

Japan: Hashimoto Ready With 'Set of Proposals' for G-7 Summit

OW2306080796 Tokyo KYODO in English
0720 GMT 23 Jun 96

[by Yoichi Kosukegawa]

[FBIS Transcribed Text] Tokyo, June 23 KYODO - Prime Minister Ryutaro Hashimoto will attend the upcoming Group of Seven (G-7) summit with a set of proposals in a bid to show Japan is playing an active role in international affairs.

A show of initiative at the Lyons summit could help consolidate Hashimoto's political base ahead of possible general elections.

The annual three-day G-7 economic summit starting in the central French city next Thursday [27 June] is expected to shed light on various problems stemming from economic globalization.

Meeting the press ahead of the summit, Hashimoto expressed his willingness to tackle development issues for countries which have fallen behind in globalization.

According to Japanese officials, Japan advocates a new strategy of introducing specific targets for development projects.

Industrialized countries have so far followed an "input-oriented" strategy by setting monetary targets for their development assistance, the officials said.

The new strategy, however, calls for attaining specific targets for the "output" of development projects through close cooperation between industrialized and developing nations, they said.

The officials said specific targets under the new strategy, called the "new global partnership," include cutting the number of the world's poorest in half by 2015 and reducing infant mortality by two-thirds worldwide by the same date.

The strategy, already endorsed at the development assistance committee of the Organization for Economic Cooperation and Development (OECD), is expected to receive support at the G-7 summit, they said.

At the Lyons summit, leaders from the seven wealthiest democracies — Britain, Canada, France, Germany, Italy, Japan and the United States — are also expected to exchange views on reform of the United Nations and other international organizations.

Japan is linking the reform efforts to economic assistance for developing countries.

Kazuo Ogura, deputy foreign minister for economic affairs, said Japan is proposing that money saved through streamlining international organizations be funneled to development projects.

"Efforts to revamp the UN and other institutions should not result in reform for reform's sake," said Ogura, who is serving as Hashimoto's personal representative for the Lyons summit.

The U.S. and other industrialized countries facing fiscal constraints want to reduce the budgets of the UN and other international organizations through downsizing, but the idea of simply cutting spending is unlikely to gain support from developing countries, a Japanese official said.

As the only G-7 leader from Asia, meanwhile, Hashimoto is expected to push China's bid to join the World Trade Organization (WTO), which replaced the General Agreement on Tariffs and Trade (GATT) in January 1995.

Ogura said China's admission to the WTO should not be treated as a simple trade issue.

"The issue should be considered in view of its impact on the world economy, politics and China's domestic reforms," he said.

Foreign Ministry sources said other G-7 leaders are expected to support China's entry into the WTO, acknowledging the need to integrate China into the international community.

On the political front, Hashimoto is expected to announce Japan's policy of strengthening support for removing buried antipersonnel mines and rehabilitation of those injured by them.

Shunji Yanai, deputy foreign minister for political affairs, said the land mine issue is drawing considerable attention from the international community.

Worldwide, as many as 100 million antipersonnel mines currently lie buried or hidden. The mines are blamed for much of the slaughter in such countries as Cambodia and Afghanistan and for delays in the reconstruction of war-torn areas.

Hashimoto is also seeking to boost Japan's global contributions by holding a series of international meetings in Japan.

Ogura said Hashimoto will announce that Japan will host a meeting of Asian nations in November on the peaceful use of nuclear energy.

Hashimoto will also announce Japan's plans to host in the fall of 1997 the third meeting for the conclusion

of the framework convention on climate change, Ogura said.

The treaty is aimed at preventing global warming due to accumulated emissions of carbon dioxide and other so-called "greenhouse" gases.

Hashimoto will also propose that Japan host an international meeting of employment experts to deal with joblessness in industrialized countries, government sources said.

Japan: Mondale Cited on Tsukahara, Barshefsky Meeting at G-7 Talks

OW2406045396 Tokyo KYODO in English
0450 GMT 24 Jun 96

[FBIS Transcribed Text] Tokyo, June 24 KYODO — Japanese Trade Minister Shumpei Tsukahara and acting U.S. Trade Representative Charlene Barshefsky will meet to discuss bilateral trade issues during the Group of Seven (G-7) summit opening Thursday [27 June] in Lyons, France. U.S. Ambassador to Japan Walter Mondale said Monday.

Mondale told reporters after he met with International Trade and Industry Minister Tsukahara earlier in the day at the Trade Ministry that he was "not sure about the timing" of the meeting.

He also said Yoshihiro Sakamoto, vice minister for international affairs at the Ministry of International Trade and Industry, will hold semiconductor talks in Lyons with Ira Shapiro, senior counsel and negotiator at the Office of the U.S. Trade Representative.

Sakamoto and Shapiro met in Washington for two days last week in an effort to break the deadlock over renewal of the 1991 Japan-U.S. semiconductor accord which expires July 31, but failed to resolve their differences over government involvement in the sector after July.

Japan: Official Confirms Tsukahara, Barshefsky To Confer in Lyons

OW2406052696 Tokyo KYODO in English
0522 GMT 24 Jun 96

[FBIS Transcribed Text] Tokyo, June 24 KYODO — Trade Minister Shumpei Tsukahara will hold trade talks with acting U.S. Trade Representative Charlene Barshefsky during the summit of the Group of Seven industrial powers in Lyons later this week, a Trade Ministry official said Monday [24 June].

The talks were agreed to when the International Trade and Industry (MITI) minister met with U.S. Ambassador to Japan Walter Mondale to review the chip talks, the ministry official said.

The two sides have yet to finalize the timing of the meeting, but the official said "one option" is to hold the session immediately after a bilateral summit between Prime Minister Ryutaro Hashimoto and President Bill Clinton slated for Thursday.

Tsukahara and Mondale met Monday to review the bilateral vice-ministerial level semiconductor talks which took place in Washington last week.

At the Washington meeting, Yoshihiro Sakamoto, MITI's vice minister for international affairs, and Ira Shapiro, senior counsel and negotiator at the Office of the U.S. Trade Representative, failed to resolve a bilateral dispute over an expiring Japan-U.S. chip accord.

Shapiro proposed the Tsukahara-Barshesky meeting at that time, and Tsukahara told Mondale that he would accept it.

Sakamoto and Shapiro are also planning to meet again in Lyons, the official noted.

After two days of talks in Washington, Shapiro said the two sides remained apart "on a new arrangement to replace the 1991 Japan-U.S. semiconductor agreement expiring July 31.

At the heart of the dispute is whether governments should continue play a role in the Japanese microchip market after the expiry of the accord.

The current pact effectively reserves at least 20 percent of the Japanese market for foreign semiconductors. Foreign share hit 31.0 percent in the January-March quarter of this year, and MITI says the market needs no more government involvement.

While offering to reduce the government role in the planned new arrangement, the U.S. insists that it call for preserving and continuing progress made under the accord.

Japan rejected the request, saying that will create another numerical target that provides a floor for foreign share in Japan.

Vice MITI Minister Tomio Tsutsumi told a news conference that the gap between Japan and the United States has not narrowed very much on "the most contentious issue" of government commitment to improving foreign access to the Japanese semiconductor market.

Meanwhile, Sakamoto proposed setting up a global governmental framework to discuss taxation, legal matters, intellectual property rights, standards and other semiconductor-related issues.

Japan and the U.S. agree there is room for discussion on these issues belonging to government jurisdiction, Tsut-

sumi said, though the U.S. is not keen on multilateralism espoused in Japan's "Global Government Forum on the Semiconductor Industry" proposal.

"Our proposal is a well-thought-out one," Tsutsumi said. He said Tsukahara and Barshesky will exchange their views based on that proposal (when they meet in Lyons to discuss trade matters).

Before joining Tsukahara in Lyons for the G-7 summit, Sakamoto is visiting Brussels to explain the Japanese proposal to the European Union (EU), which is concerned about being left out of bilateral microchip talks between Tokyo and Washington.

Sakamoto will brief the EU side on his talks with Shapiro and explain the background of the Japanese proposal, Tsutsumi said, noting to some extent it takes the EU's views into account.

Japan: Official on G-7: 'Some Unresolved Trade Disputes' Remain

*OW2406072796 Tokyo KYODO in English
0718 GMT 24 Jun 96*

[FBIS Transcribed Text] Tokyo, June 24 KYODO — Japan and the United States agreed Monday [24 June] to join forces to bring the upcoming summit of the Group of Seven (G-7) economic powers to a successful conclusion, a Foreign Ministry official said.

The accord was reached in a meeting between U.S. Ambassador to Japan Walter Mondale and Vice Foreign Minister Sadayuki Hayashi, the official said.

Two items are expected to be high on the agenda of the G-7 summit and a Japan-U.S. summit in Lyons, France, later this week, the official said without elaboration.

The official did admit, however, that Mondale and Hayashi, Japan's top career diplomat, confirmed there are some unresolved trade disputes between the two countries over such issues as semiconductors and insurance.

Tokyo, Washington Agree on Efforts for Success of G-7 Summit

*OW2406102896 Tokyo KYODO in English
1009 GMT 24 Jun 96*

[FBIS Transcribed Text] Tokyo, June 24 KYODO — Japan and the United States agreed Monday [24 June] to unite in efforts to make the upcoming summit of the Group of Seven (G-7) industrialized nations a success, a senior Foreign Ministry official said.

Vice Foreign Minister Sadayuki Hayashi told a news conference the agreement was reached in a meeting

with U.S. Ambassador to Japan Walter Mondale on coordinating views between the two nations ahead of the G-7 summit set to open in Lyons, France, on Thursday.

The top career diplomat also noted he discussed with Mondale bilateral disputes over trade in insurance, semiconductors and photo films, adding he and the U.S. envoy basically shared the view that no negotiations should be done in the meeting between Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton.

On insurance, Hayashi said Tokyo and Washington will likely hold working-level talks prior to the G-7 summit in parallel with ministerial-level discussions.

Hayashi said he and Mondale did not set any deadlines for resolution of rows over insurance and chip trade, only confirming Japan and the U.S. need to resolve the issues as quickly as possible.

Noting that the film trade dispute has already been referred to the World Trade Organization (WTO), Hayashi said Tokyo will have only to follow WTO procedures to settle the case with Washington.

Japan: Hashimoto Leaves for Cheju for Summit With ROK President

*OW2206074696 Tokyo KYODO in English
0652 GMT 22 Jun 96*

[FBIS Transcribed Text] Tokyo, June 22 KYODO — Prime Minister Ryutaro Hashimoto left Tokyo Saturday afternoon [22 June] for Cheju island for summit talks with South Korean President Kim Yong-sam on a variety of topics, including the 2002 world cup soccer finals co-hosting and the upcoming G-7 summit in France.

Japanese officials said the trip is intended to improve relations between the two neighboring countries.

Hashimoto, who met Kim in Bangkok in March, will be the first Japanese prime minister to visit South Korea since July 1994.

Hashimoto and Kim have vowed to successfully co-host the 2002 World Cup finals, the first World Cup games in Asia.

Relations between Japan and South Korea have been rocky since the end of World War II, haunted by Japan's colonization of the Korean peninsula from 1910 to 1945.

The two countries are locked in a dispute over the ownership of a group of islets in the Sea of Japan, known in Japanese as Takeshima and in Korean as Tokto.

Also on the agenda of the Hashimoto-Kim meeting would be the Lyons summit of the Group of Seven

major industrialized countries next week and a joint U.S.-South Korean proposal aimed at securing a lasting peace on the Korean peninsula, as well as humanitarian assistance to North Korea.

Hashimoto is also likely to touch on Japan's planned payment of one-time solatium of at least 2 million yen each to some 300 surviving women who were forced into sexual servitude for Japanese soldiers before and during the war, government sources said.

Historians estimate up to 200,000 women, mostly from the Korean peninsula, were forced to provide sex for the Japanese Imperial Army in front-line camps.

Japan: Likely Main Topics at Hashimoto-Kim Summit

*OW2206074996 Tokyo KYODO in English
0720 GMT 22 Jun 96*

[FBIS Transcribed Text] Tokyo, June 22 KYODO — The following are the main topics tentatively on the agenda when Japanese Prime Minister Ryutaro Hashimoto and South Korean President Kim Yong-sam meet this weekend on the South Korean island of Cheju.

(North Korea) in response to an urgent appeal by the United Nations, Japan has agreed to supply \$6 million and South Korea has agreed to supply \$3 million for food aid to North Korea.

In line with Japan's policy of consulting with the United States and South Korea over its North Korean policy, Japan has kept in close touch with the two nations over its decision.

While South Korea has said it understands Japan's aid offer, it has also cautioned Japan not to give additional aid without prior consultations and not to embark on the hasty normalization of relations with the north.

Kim is expected to stress the need for Japan and South Korea to show their solidarity on North Korean policy.

Hashimoto will use the meeting to gain a briefing from Kim on South Korea's assessment of the situation in North Korea so he can share the information at the Lyons summit in France of the Group of Seven (G-7) industrialized nations from next Thursday [27 June].

(World Cup) the two leaders will reaffirm their determination to use the decision to have both nations co-host the 2002 World Cup as an opportunity to build a new bilateral relationship.

Some sources in South Korea have suggested that North Korea also be involved in hosting some of the soccer games, but Hashimoto has made it clear he opposes the idea.

(Takeshima/Tokto Islands) in March, the two leaders agreed to shelve the question of sovereignty over a group of disputed islets in the Sea of Japan, known in Japan as the Takeshima Islands and in South Korea as the Tokto Islands.

They agreed, instead, to begin talks on the establishment of 200-nautical-mile exclusive economic zones.

Hashimoto has indicated he does not want to begin discussions on an issue in which neither side can make concessions.

South Korea, however, has begun the construction of a berthing facility on one of the islands to press its sovereignty claim, and Kim may raise the issue to appease public opinion in South Korea.

(Perspectives on History) Hashimoto originally wanted to be the first to bring up the issue of the so-called "comfort women" who were forced into providing sexual services for Japanese Imperial Army soldiers. Many of the women were from Korea.

But South Korean Foreign Ministry sources say South Korea will be obliged to take a severely critical stand on the issue unless Japan offers an apology and its official government compensation to the women.

Hashimoto is unlikely to make the issue a priority, but the South Korean ministry sources say Kim is likely to press this issue.

Japan: Hashimoto's 'Dream' To Cement Ties With South Korea

*OW2206110596 Tokyo KYODO in English
1103 GMT 22 Jun 96*

[FBIS Transcribed Text] Cheju Island, South Korea, June 22 KYODO — Japanese Prime Minister Ryutaro Hashimoto said Saturday [22 June] he wants to realize a long-cherished dream of cementing friendly ties between Japan and South Korea.

He made the remark to accompanying reporters on a special government jet en route to this scenic island off South Korea for a summit with President Kim Yong-sam.

Hashimoto recalled his first visit to South Korea in 1965 shortly after he was elected to the House of Representatives for the first time.

He said he first met Kim, then a member of an opposition party, during the visit and engaged in a frank exchange of views on bilateral relations.

It was soon after Japan and South Korea signed a treaty normalizing bilateral relations two decades after World

War II that ended Japan's 36-year colonial rule of the Korean peninsula.

Hashimoto said he was shocked to discover the feelings of hatred the Korean people harbored toward Japan over its colonial rule.

A long period of time has elapsed since his first trip to the country but he still holds to his dream of strengthening friendly ties between the two countries, Hashimoto said.

Japan: Hashimoto Highlights 'Personal Relations' With Kim

*OW2406035696 Tokyo KYODO in English
0352 GMT 24 Jun 96*

[FBIS Transcribed Text] Tokyo, June 24 KYODO — Prime minister Ryutaro Hashimoto said Monday [24 June] the chief achievement of his weekend meeting with South Korean President Kim Yong-sam was their building up of "personal relations."

Hashimoto and Kim met for drinks Saturday night in an unscheduled session, Hashimoto told reporters, adding that he was hung over Sunday morning because "Kim can drink quite a lot."

The premier, however, said their discussions were not about personal issues. He did not elaborate.

At the Saturday-Sunday summit on the South Korean island of Cheju, the two leaders discussed various matters including co-hosting the 2002 World Cup soccer finals and peace on the Korean Peninsula.

Japan: Expert Says War in Korea Unlikely

*OW2106140996 Tokyo CHUO KORON in Japanese
Jul 96 pp 92-101*

[Article by MAINICHI SHIMBUN editorial writer Toshimitsu Shigemura: "There Will Be No 'Contingency' Situation on the Korean Peninsula"]

[FBIS Translated Text] Different Views on Possible Crisis

I was in Seoul as a correspondent from 1979 to 1985. Before that, in 1975, shortly after Vietnam was reunified, I was in Seoul to study at Korea University. While I was there, a number of times I was informed the DPRK (North Korea) could be launching an attack on the ROK soon. Indeed, later on, it was verified that North Korean President Kim Il-sung visited China immediately after Vietnam's reunification to request China's support in North Korea's plan to invade and take South Korea, but his request was rejected.

Suppose a military conflict had taken place at that time. What could the Japanese in Seoul have done? Actually, there was nothing they could have done. Around that time, Japan's Ministry of Foreign Affairs (MOFA) did not have any plan for rescuing the Japanese from Korea. All the Japanese Embassy in Seoul told Japanese business operations and news agencies in Korea was that if North Korea launched an attack, they should contact the embassy or the Japanese Chamber of Commerce and Industry in Seoul. The contact system did exist at that time.

But as for students who were in Korea to go to school or general travellers who happened to be in Korea, there was nothing they could have done. When I asked the general manager of the Japan Air Lines (JAL) office in Seoul what I should do in that situation, he told me that even though JAL was supposed to send in rescue planes, they would not be of much use because the airports were likely to be closed in such an event. He said I would have to journey to Pusan on foot. The embassy officials told me they would have to ask the U.S. military rescue planes to give rides to the Japanese, but added there was no guarantee that they would.

Given this situation, all Japanese businesses in Korea had their own plans for telling their personnel what to do in case of a crisis situation, and suggested that they flee to Pusan on foot as a last resort. In other words, what the plans said essentially was that all the Japanese individuals and the business people should get to Pusan on their own and then try to get from there to Japan one way or another. Of course, South Korea would never allow the Japanese Self-Defense Forces (SDF) rescue planes to fly into the country, so I accepted there was no other alternative.

But then I was sent to Washington as a correspondent and had chances to see up close what the U.S. Government did for Americans in case of contingencies. When a conflict broke out in a foreign country, the U.S. Government always took action to rescue the Americans, by sending in troops for instance. The Americans' rationale for belonging to their country and paying taxes to its government was that their government would protect or rescue American citizens in such a situation.

Having witnessed scenes of the U.S. Government in rescue actions, I could see the Americans really believed their nation and government existed to protect the people—although, of course, it is also true that the U.S. Government sometimes used protection of its citizens as a pretext for military intervention, as in the case of Granada. Not many Japanese, however, think their country or government exists to protect individual Japanese citizens overseas.

Since the Japan-U.S. summit meeting in April, expressions like "contingencies in the Far East" or "contingencies on the Korean peninsula" have been rampant in Japan. Of course, "fire drills" need to be conducted even when there are no fires, and "disaster drills" need to be conducted even when there are no earthquakes. The drills do not mean there will soon be a fire or an earthquake. And the government should provide guidance manuals to the public telling them what to do in disaster situations, although news media should not write their reports as if some kind of emergency situation were imminent. Crisis management and cool-headed judgment on international relations are two different things.

The Japanese so far have not wanted to discuss actions to deal with contingencies or even to prepare guidance manuals. They have made a big issue out of making such preparations. On the other hand, the Japanese have always stopped arguing and accepted the given condition as an established historical fact if a crisis situation did develop. Apparently, the Japanese are weak before an established historical fact.

In comparison, the Koreans are tough on an established historical fact. For instance, the South Korean Government has put two of its former presidents, Chon Tu-hwan and No Tae-u, into jail in an action about which Japanese would wonder, "Why now?" Of course, some Korean people wonder about it, too, but they are in a minority.

The Koreans use a lack of justification and legitimacy as grounds for rejecting an established historical fact. They believe these two former presidents had neither justification nor legitimacy for taking power into their own hands.

In Korea, the absence of legitimacy and lack of justification have been used as weapons to fight government power as well. Although the legitimacy of a government has never been questioned in Japan, "legitimacy" can always be a issue in Korea, and acts or decisions made without justification can be rejected later on in that country. In other words, legitimacy and justification could be grounds for fighting an established historical fact. That is why there are uncertainties of government in that country all the time.

Anyway, there are so many references to "crisis," "contingencies on the Korean Peninsula," "sanctions against North Korea," "Takeshima," "the United States," "Japan-U.S. friction," or "collapse of North Korea" in Japanese newspapers and on television news reports recently; and the danger is that the Japanese, exposed and accustomed to these words for so long, are likely to believe they know about the "crisis" and similar situations when they actually do not know what these

words really imply or mean. The Japanese people tend to think they know the meaning of these words and thus do not want further explanations.

For instance, newspapers and television news programs do not hesitate to say "the United States is satisfied with the Japan-U.S. agreement" or "the U.S. Government predicts North Korea will collapse." But I would like to ask what they mean by the words "the United States" or "the U.S. Government"?

American newspapers do not write reports in that manner. The American newspapers, for instance, would say "the Clinton administration," but would never say "the Clinton government." To the Americans, the government is made up of three parts — "judicial, legislative, and executive." The Americans are very strict in defining words.

So I advise you readers to be on your guard when you find in Japanese newspaper reports such words as "the U.S. Government," "a U.S. Government source," or "a U.S. source" used as sources of information. American newspaper reports always clarify their sources of information, saying "the White House," "the State Department," "the Department of Defense (DOD)," and so on. They always clearly identify the government offices or agencies that formulate plans or make policy decisions. American friends of mine working as reporters in Japan have told me they have trouble understanding expressions like the "contingencies on the Korean peninsula" or the "collapse of North Korea." They are unable to understand what the words "contingencies" and "collapse" really mean.

What Can the Contingencies on the Korean Peninsula Be?

What would be considered a "contingency" on the Korean peninsula or the "collapse" of North Korea? The following situations are conceivable:

1. A war breaks out.
2. North Korea completes development of nuclear arms.
3. Missiles are launched into Japan.
4. Refugees flow into Japan from North Korea.
5. A coup d'état is mounted in North Korea.
6. Secretary Kim Chong-il is assassinated.
7. Secretary Kim Chong-il falls from power and goes into exile.
8. A major uprising breaks out in North Korea.

Now let's try to define the word "contingencies." We can say the condition of a contingency is a situation that will have an impact on the security of Japan and its economy. Contingencies can be classified into two types

— those related to South Korea plus the international community and those related to Japan.

The contingencies directly related to Japan will be the situation of missiles flying into Japan from North Korea or of Japan going into a war with North Korea. But apparently North Korea does not yet have missiles that can reach Japan. Hence, it may be said that there cannot be any contingencies directly related to Japan.

Now for the question of whether there will be an exodus of refugees into Japan: as I will explain in detail later, there is almost no possibility for that, either.

Next, we will see about the situation of contingencies indirectly related to Japan, a war breaking out on the Korean peninsula. There are now active discussions going on in Japan on the issue of what Japan can do to assist the U.S. Armed Forces in such event. There are also discussions underway on whether Japan should exercise its collective defense rights in that event. But it is not likely that the Koreans will ever let any Japanese SDF troops set foot on the soil of the Korean peninsula. The Koreans believe letting them in would give Japan an excuse to invade Korea once again. It is totally impossible to think that South Korea will ask Japan to send its SDF troops, even to help transport supplies to the Korean peninsula, let alone to participate in combat operations.

Then comes another recently debated question, whether or not Japan should provide logistic support to the U.S. Armed Forces in a contingency situation, using its private-sector facilities. I will not say there is no use in the public's debating the pros and cons of this question earnestly, as the Americans would. Debate is part of the democratic process. But I will say that, given the tendency of the Japanese to be weak in facing established historical facts, I am afraid it is more than likely that all the con views will be swept away once the danger of a contingency situation arises and the mass news media agencies go all out, talking and writing in support of contingency actions by Japan.

To the Japanese public, actually, the issue of contingencies related to Japan indirectly should look more like the issue of "advantages" and "gains" for Japan than "contingencies," as I will show when I come back to this subject later.

Now supposing the "contingencies" related to Japan both directly and indirectly are unlikely to happen as noted above; let's see then if North Korea's "collapse" is likely in the near future. The answer is no. There is no likelihood of its happening soon. For instance, if there is an exodus of refugees from North Korea, that will not necessarily mean the collapse of that country.

As seen in Vietnam, it would prove rather helpful in alleviating national economic burdens for North Korea if the refugees fled the country.

Indeed, to look back on the recent history of international relations, we cannot recall a case of a country having collapsed as a result of food shortages. If the food shortage becomes so serious as to starve people to death, the UN organizations will come to help, and the international community will have no other choice but to join in. Even the United States has declared clearly that it will provide humanitarian aid to North Korea despite protests by South Korea.

Of course, if North Korea sticks by its existing economic and political system, it will collapse sooner or later, as everybody predicts; but the collapse will not necessarily lead to a chaotic situation or a crisis in Japan. The collapse will only mean that Korea will get reunified and that South Korea will be responsible for the security of the people of North Korea.

Allegations of North Korea's Collapse

There have recently been a series of comments made by high-level U.S. Government officials on the possible collapse of North Korea. In a testimony at a subcommittee of the U.S. House of Representatives' Security Committee on 3 March, General Gary Luck, commander in chief of the U.S. Armed Forces Korea (USFK), said North Korea's collapse "is longer a question of if but when," thus suggesting that the day of that country's collapse was not far away. Coming after the remarks of Secretary of Defense Perry and Central Intelligence Agency (CIA) Director John Deutch on the possibility of North Korea's collapse, his testimony drew attention. Then, early in May, Deputy Assistant Secretary of State Campbell, in a meeting with a Japanese parliamentary delegation visiting the United States, said, "The question now is if North Korea can last six or seven more months."

Asked about these comments predicting North Korea's collapse, however, Secretary of State Warren Christopher declared, "There are no signs of it collapsing soon." In other words, all the remarks on the North Korean collapse were not a conclusion of "the U.S. Government." This also means even "high-level U.S. Government officials" are divided in their views on that question. Then how should all these remarks be interpreted?

Speaking from my experience as a Washington correspondent, I should point out that the period from January to April every year is the time when North Korean threats and the possibility of its developing nuclear arms become news topics. That is the period when the next fiscal year budget (October-September) is deliberated in

Congress. On the grounds that the Cold War has ended, the DOD and the CIA are asked to cut their budgets every year. In the case of the CIA, even its *raison d'être* is being questioned now. In order for these offices to sail through the rough Congressional budget deliberations, they need to emphasize that there still are nations like North Korea which can act unpredictably.

I wonder if readers have noticed that General Luck, the commander in chief of the USFK, made that remark of his in a testimony at a budget-related subcommittee, the "Subcommittee on Accounts," which reviews settlements of accounts. Even as regards the remark of Deputy Assistant Secretary Campbell, if he said he did not have the DOD's political intention behind it, that would be a lie. He belongs to the DOD, the office which is demanding that Japan cooperate with the United States in the event of contingencies. It would be only natural if he talked emphatically to the Japanese dietmen about threats on the Korean peninsula.

When a meeting is expected with someone like him, the people should have with them good materials with which to debate or refute his view; otherwise they will be laughed at.

Then there is the question: Why did State Secretary Christopher say "there were no signs of the country collapsing"? In fact, he had received, through informal channels, protests by the North Korean Foreign Ministry about the remarks on North Korea's collapsing made by the U.S. defense secretary, the CIA director, and General Luck. When U.S. defense officials talk about North Korea "collapsing," the North Korean people think "the United States is getting ready to drive North Korea to collapse." That thinking is particularly strong in the military. This makes things difficult for the North Korean Foreign Ministry, which is trying to improve its country's relations with the United States.

Knowing this position of North Korea, the State Department officials had asked Secretary Christopher "never to talk about the collapse" of that country. According to a State Department official in charge of North Korean issues, North Korea's food shortage situation is very severe but is "not so bad as to lead it to collapse this year." The 22 May issue of *NEWSWEEK's* Japanese edition carried a report on the question of contingencies in North Korea, citing an expert's remark that there is no uniform view of what the word "collapse" means. It was appropriate that the report took note of the ambiguity of that word. Nobody knows if it means "a change of leadership, the breakout of a civil war, or an exodus of refugees."

There Will Be No War; They Have No Missiles That Can Reach Japan

Of late, a large number of specialists are saying there is no possibility of a war breaking out on the Korean peninsula, but until two years ago, only a handful of specialists, including me, had said that. Is there really no possibility of a war breaking out? Many military specialists had warned of that possibility, noting the big arsenal and military manpower the country possesses. If one only considers North Korea's record of having locally produced weapons and upgraded missiles of its own, he can see why the military specialists should warn of the danger of a war. But he has to realize also that if North Korea wants to start a war, it will have to train its troops and have ammunition. Above all, it must have petroleum supplies.

In fact, I have reason to think the researchers and military specialists on the Korean peninsula affairs do not know how serious North Korea's oil shortage problem is. Before coming to work for a newspaper, I had a chance to work at an oil company importing crude oil and refined oil products. I know about the oil market, as such, and I have done a careful study on the oil supply situation of North Korea because I am sure we can gauge the economic and military power of a country fairly well by learning about the oil supplies it consumes.

I have found out that the total volume of oil North Korea imported last year amounted to no more than 1 million tons in crude oil. Besides, all of it was Chinese crude oil. Given this information, people familiar with the oil industry would instantly agree that "the situation there is really bad."

Why is it so bad? Because the light-quality oil (keishitsu yu) that can be extracted from the Chinese crude oil amounts to only 20 percent—light oil is the part which can be used by the military or the public as gasoline, diesel oil, or aircraft fuel. However hard an oil refinery works on it, the best it can do is produce 300,000 tons of light-quality oil from 1 million tons of Chinese crude oil. What will be left is heavy oil. Chinese crude oil is an "inferior oil" containing the largest proportion of heavy oil in the world.

Some military specialists assert that since North Korea is importing up to 1.5 million tons of oil a year, it will be able to fill up its tanks and drive to Seoul somehow. (See the article "The Objective Is To Take Seoul" in the June 1994 issue of *MILITARY STUDIES*.) But actually North Korea does not have even that tiny amount of 1.5 million tons of oil for use by the military.

The volume of 1.5 million tons imported each year is crude oil. The volume of oil that can be used for military purposes cannot exceed 300,000 tons, and that does not represent the volume it has in reserves all the time. It only means that if no fuel is used at all for military training, for trucks to transport supplies or other vehicles in communication service and so forth, then there will be 300,000 tons left. And 300,000 tons can be used up as fuel for high-level government officials' cars, transport trucks, buses, and aircraft in a short period of time.

North Korea's military strength is 1 million, whereas Japan's SDF has a total of 240,000 troops. The SDF, with only a quarter of the strength of the North Korean armed forces, uses about 1.3 million tons of oil a year.

Considering that the SDF, which is not preparing for a war and is only engaged in ordinary training and everyday activities, needs 1.3 million tons of oil a year, the 300,000 tons at best is too small an amount for the 1-million-strong military forces to prepare for a war.

Of course, North Korea has no doubt imported some refined products as well. But when North Korea's unloading and storage facilities for oil as well as its foreign exchange situation are considered, it is difficult to think the country has imported more than 500,000 tons a year. This number can be verified by the international record of petroleum tankers that have docked at North Korean ports.

Troops that have had no training cannot be used in a war. If the volume of oil used up in training is taken into account, the volume left in reserve apparently is very small. Of course, the country would have saved some quantity in reserves over a long period of time. But even South Korea does not think the amount in reserves exceeds 700,000 tons at best. However hard one may tally up the capacities of oil tank facilities in North Korea, one cannot see how the country could carry that much in reserve. Besides, when one thinks about the small volumes of oil the country has imported in recent years, one has to think that the country has had to use up a considerable part of the reserves.

There is simply no way for a country to fight a war nowadays unless it can afford to use oil like water. In that context, we can say North Korea no longer has the capability to launch an attack. Even Mr. Ko Myong-hwan, a former North Korean diplomat who defected to the South, told a Japanese newspaper that "North Korea has no intention of attacking South Korea."

Now comes the question of whether North Korean missiles can reach Japan. The assertion that North Korea has Nodong-1 missiles with ranges of 1,000 km really is nothing more than a guess by the U.S. DOD. The

guess that North Korea has missiles with ranges of 1,000 km originated from the first satellite photos taken of an engine test conducted on the ground and then of a firing test conducted in the Sea of Japan in May 1993. But wait a minute: I must say there is certainly no way of developing missiles with a 1,000-km range in one firing test.

Indeed, nothing is known about the Nodong missiles. More than three years have passed since the guess was first made on the existence of the Nodong missiles, but it is still not even clear whether they are multi-stage or single-stage rockets. It is unthinkable that they could have avoided being sighted by U.S. reconnaissance satellites or other intelligence networks if they had existed.

More recently, even U.S. intelligence officials have come to believe the Nodong missiles are still in development and have not been deployed for operations. This means North Korea does not yet have a missile that can reach Japan. While I was in Washington, the "Union of Concerned Scientists" issued a report on North Korean missiles. In the report, the scientists noted that it would be very difficult for North Korea to develop missiles with ranges of 1,000 km using the technology the country had. They also pointed out that if it is assumed that North Korea improved on Scud missiles to develop their own missiles, they would have to use four Scud missile engines stacked up in order to get the necessary propelling power; and that would not be easy, particularly in view of the fact that remodeled Scud missiles have the drawback of using liquid fuel. It takes a considerable time to pour in fuel before launching. Even if North Korea has the missiles, they are likely to be detected by reconnaissance satellites before being launched.

No Refugees Will Be Coming

Those who talk about a North Korean collapse predict that when the collapse comes, a large number of refugees will come to Japan. Asked about this prediction, many North Korean defectors to the South, however, have declared: "They will never flee to Japan." One defector said: "The North Koreans do not trust the Japanese. Under no circumstances will they go to Japan." I think that way myself. Most Japanese know about the strong anti-Japanese emotion of the South Koreans. Do the Japanese think the North Koreans feel differently than the South Koreans about Japan?

To the North Koreans, the Japanese are the bad people who discriminate against and bully North Korean residents in Japan. All the North Koreans are taught in their schools about the inhuman acts of Japanese police authorities during the occupation. To them, Japan is now also trying to bully and destroy North Korea together

with the United States and South Korea. Certainly there is no reason for the North Koreans to come to Japan with pleasure.

In citing the reason for the North Koreans to flee to Japan in large numbers, some people have said: "They should know Japan is an advanced and abundant country, as they have seen good electronic products and cameras from Japan." That is very biased "Japan-centered thinking," if not a new "Ptolemaic theory."

These people who say such a thing do not realize the fact that only a minority of the world's people think Japan is a "good country."

If and when North Korea collapses or its food shortage problem develops to a very serious state, the place the North Korean refugees flee to will be China. They will not come to Japan.

Some people say that if a war breaks out in Korea, many refugees will come to Japan from South Korea. That is unthinkable, too. The decisive difference between the Japanese and the Koreans is that the former have no experience of having lost their country, while the latter have. The Koreans know how tragic and sad it is to live without a country. In the event of North Korea invading the South, I think, the South Koreans will choose to fight with their guns rather than flee. That is the South Korean patriotism. We should not forget that in the war of 1950, the South Koreans were pushed back to the brink of being overrun, but that did not cause many South Koreans flee to Japan. The South Koreans do not want to live with the disgrace of having abandoned their brethren.

Secretary Kim Chong-il Now Completely in Control

In May, a meeting of deputy foreign ministers of Japan, the United States and South Korea was held on Cheju Island. There was only one point on which all three countries agreed at that meeting—that Secretary Kim Chong-il was completely in control of the political party, the military, and the government of North Korea. This can be interpreted as suggesting that there will be no "contingency" of North Korean collapse occurring for the time being.

If someone asks me about the possibility a coup d'état being mounted in that country, I will not deny that possibility, but will point also out that it would be very difficult for that actually to happen since North Korea is taking all possible measures to prevent a coup or an attempt to assassinate Kim. I will say it is impossible right now. Now, vigilance is such that when someone is granted an interview by Secretary Kim Chong-il, the interviewer is frisked and yet is not allowed even

to bring his or her own stationery. Unless specially and specifically authorized, the interviewer is not even allowed to take notes during the interview.

Now there arises the question why Secretary Kim Chong-il has not taken over the top leader's post yet although almost two years have passed since President Kim Il-song died. I think it is appropriate to think he is in a three-year mourning period according to Confucian tradition. Traditional Confucian teachings obligate mourners to live quietly, doing nothing conspicuous during the three-year mourning period. Now, when so many North Korean people remain respectful of the late President Kim Il-song, it is impossible for Kim Chong-il to do something that could be considered disrespectful of his father. A ranking Chinese official, asked to give his view on it, recently said there is an old saying in China that tells mourners "not to cry and not to fly for three years."

President Kim Il-song made a very interesting remark to Yohei Sasakawa, chairman of the Japanese Foundation, in this connection while he was still alive. Asked by Sasakawa, "Why did you name Secretary Kim Chong-il your successor?" President Kim is said to have replied, "The most difficult problem in politics of Korea is how to treat elders" and "Secretary Kim Chong-il has the capabilities to deal with that problem." In the North Korean society, the most influential "pressure group" is the elders. What he meant was that the group of senior people who fought the Japanese Army along with President Kim Il-song are now the most troublesome people to deal with. Without winning the understanding of these people, it will be difficult for the government to decide on policies for economic reform and liberalization.

Kim Chong-il's thinking is that it would take about three years to persuade this group of elderly people to accept the new policy lines. However hard the younger people who are said to be close to Secretary Kim Chong-il may be thinking about ways of driving the elderly people out of power, they cannot find a way, as these elderly people rank high in the hierarchy of the Workers Party of Korea [WPK]. There is no choice for the young people but to give time and wait.

The same sort of thing has been seen done by Yi Kon-hui, chairman of South Korea's Samsung Group, who refrained from showing himself in public for about three years after his father died. After three years, he started to work very actively in his position as the top man of the group and succeeded in making the Samsung Group leap farther ahead of other groups.

Speculating on reasons Secretary Kim Chong-il is taking time in assuming the post of presidency, some say the

military is now in control of North Korea. These people make the speculation because the North Korean Foreign Ministry once announced its government had refused the offer of flood disaster aid by international organizations because "the military rejects it." In fact, a similar remark was made later by the North Korean ambassador to the United Nations.

But the remarks of North Korean officials should be looked at from a different angle. In other words, we should see from their remarks the fact that if the military were really in control, the Foreign Ministry officials would not be saying "the military is complaining" or "the military rejects it." Actually, the very fact that the ministry officials can say these things openly about the military should be interpreted as suggesting there has been a change in North Korea. We should interpret this as evidence of the military's power having waned. We should recall also that, later on, the North Korean Foreign Ministry asked for aid from international organizations — a development which can mean the ministry rejected the position of the military.

Probable "Gains" and "Assistance"

An important fact to note in the given international situation is that no nation wants North Korea to collapse. No nation wants North Korea to collapse because no nation wants to take charge of it, and that makes North Korea very tough. Even South Korea, China, Japan, and the United States do not want to take over North Korea by driving it to collapse.

Why does South Korea not want North Korea to collapse? South Korea has seen West Germany pour in 10 trillion yen of funds into East Germany every year since the reunification of Germany. The total national budget of South Korea amounts to about 8 trillion yen. There is no way for South Korea to bear as much of a burden as Germany does. South Korea appears to think that if North Korea collapses in next few years, there is no choice but for it to ban the North Koreans from moving into the South, and to call on the North Koreans to endeavor to rebuild their economy on their own. A unified Korea can dump on South Korea economic burdens of a scale from which South Korea could never recover. It is a bad dream for South Korea.

China is afraid of the situation of a large number of famine refugees flowing into its country across the borders. That is why it is planning a large food aid package for North Korea. According to a high-level official of the PRC Foreign Ministry, China last year promised to supply 700,000 tons of grains and 1.3 million tons of oil to North Korea. Since North Korea is said to be short 2 million tons of grains, China's

aid volume is substantial. Half of the volume is to be provided at so-called friendly prices and the other half at international prices. As for oil supplies, 500,000 tons of them are provided gratis and the balance paid for at international prices.

Of the promised supplies, delivery of oil has been completed, though North Korea is known to have taken only 1 million tons of the offered amount. As regards supplies of grains to North Korea, China is said to be planning to deliver them after watching supplies of grains from other countries and international organizations come in. In other words, China wants to play the role of a safety pin in a control mechanism, providing its own supplies only after seeing and confirming how much more North Korea needs.

The fact of the matter is that the collapse of North Korea will not lead to the situation of neighboring countries being put in charge of the North Korean people or taking care of refugees. The collapse will only mean Korea will become reunified. From the moment North Korea collapses, the North Korean people will be considered "the people of the ROK." That being the case, from that moment on, the ROK will be held responsible for food supplies to and security of North Korea. Besides, since the North Koreans will be considered the ROK citizens, the ROK Government cannot treat the North Koreans as refugees. Nor can the North Koreans be treated as refugees internationally. As such, the question of what Japan should do will be that of deciding what it can do to help South Korea; in other words, it will be the question of what "assistance" it should provide. Probably Japan will be asked to share a considerable part of the financial burden of the reunification of Korea.

On the other hand, if there is a war in Korea—though most unlikely—that situation will work as a condition of "advantages" for Japan. As noted above, a war in Korea will not result in the situation of refugees arriving into Japan. Instead, actually, Japan's economy will come to enjoy another boom from "special demand from Korea." Certainly it may sound impudent, but, no doubt, this most tragic misfortune for the neighboring country will bring a "special boom" to the Japanese economy.

The ongoing debate within Japan on the contingencies on the Korean peninsula is apt to be viewed by the people of the neighbor, Korea, as evidence of how the Japanese are egoistic and self-centered. In the event of a war in Korea or a collapse of North Korea, Japan should think what it can do for its neighbor. That is the role Japan is destined to carry out as a big power in Asia, and that is the way Japan should pay for the gains it has earned from business activities in Asia. If the Japanese cannot include "assistance" to Korea in their debate on

the contingencies in that country, the Asians will not be able to think of Japan as a neighbor that cares about Asia. Of course, the "assistance" in this case does not mean military cooperation.

Real Cause for North Korea To Collapse

In talking about the possibility of North Korea collapsing, people cite the food shortages and other chaotic economic conditions of that country as the causes. But I must say these conditions are merely superficial. What can really cause the collapse of North Korea is its "Chuche [self-reliance] thought and its one-and-only leader system." Nonetheless, North Korea can sustain itself by that political thought and system, and will not collapse in the immediate future. Strict control of ideological thinking and the party-centered power system is still quite effective politically, though expected to accelerate chaos and aggravate problems economically.

If North Korea fails to start opening up and reforming its economy, its economy will soon stop working. But if it wants to start opening up and reforming, then it will have to start criticizing and rejecting President Kim Il-song. When a similar problem surfaced China, China raised issues with the liability of Mao Zedong, the person himself, but did not criticize Mao's Thought. But in the case of North Korea, it is impossible to separate President Kim Il-song, the person, from "the Kim-Il-songism and Chuche Thought." They are inseparable indeed, because if North Korea's opening up and reform policy lines lead to criticism of President Kim Il-song, that can provide a "justification" to remove Secretary Kim Chong-il. In North Korea, the use of words like "reform" or "opening up" is still banned. Even in case the nation adopts policy lines for reform and opening up, it will probably replace them with words like "advance" or "progress" or at best "improvement."

The following may be cited as primary causes of the current economic woes of North Korea:

1. Self-contradictions in the socialist ideology itself
2. Chuche thought and the one-and-only leader system
3. Collapse of socialist countries
4. Poor crops due to unusually cold temperatures and floods.

Of these, Chuche thought and the one-and-only leader system apparently are most accountable for the situation. The system relies on the WPK to make decisions on everything. For instance, when a joint venture is formed with a foreign company, the WPK interferes and becomes involved in deciding where foreigners should reside and how technological guidance should be conducted, not to mention such things as terms of employment, workers' wages, and product prices. Under

such conditions, there is no way for the market economy to work. However much foreign capital North Korea may have succeeded in attracting into the country, and however many additional joint ventures it may have brought in, the country simply does not have a system that can make the best of them or expand them. If North Korea really wants to get out of its economic dead end, Secretary Kim Chong-il must have a resolve to carry out reforms and a willingness to use his political abilities in resolving problems. And South Korea must provide maximum cooperation to make that possible.

Incidents of People Defecting From North Korea

On 23 May, a North Korean Air Force pilot defected to South Korea on a MiG-19 fighter plane. Saying "I cannot live in the North anymore," he declared he had fled the North to seek freedom in the South. But I cannot believe his story right off. Air Force pilots are assured of very good treatment, even in North Korea. I cannot think he would have defected to freedom, driven by food shortage problems or the tough life in the North. There probably was an urgent situation of having no choice but to defect — the imminent danger of getting arrested, for instance. That is probably why he said, "I cannot live in the North anymore."

Thirteen years ago, another pilot, Yi Ung-pyong, fled the North in a MiG-19 fighter. The pilot said he had learned about freedom in the South from South Korean radio programs he listened to while flying on his plane, but it was later learned that he had personal problems involving women. Earlier, a Soviet Union Air Force pilot defected to Hokkaido in his fighter plane, and it turned out the main reason was troubles with his wife. Certainly, there have been a series of defections from North Korea recently, but that cannot be a reason for North Korea collapsing soon.

When a man defects from North Korea, he is risking his life. He must have a reason to risk his life. It is impossible to think a man would decide to defect just because he "yearns for" freedom. North Korea kept quiet when one of its pilots defected to the South 13 years ago. North Korea did not demand the return of the plane at that time and will probably not do so this time, either. It does not want the North Korean people to learn about the pilots' defection to the South.

Japan: Prime Minister Hashimoto Returns From ROK Trip

OW2306054896 Tokyo KYODO in English
0519 GMT 23 Jun 96

[FBIS Transcribed Text] Tokyo, June 23 KYODO — Prime Minister Ryutaro Hashimoto returned to Tokyo Sunday [23 June] afternoon from Cheju Island, South

Korea, where he held talks with President Kim Yong-sam on ways to promote bilateral relations.

Japan: LDP Members Decide To Form DPRK Friendship League

OW2006032896 Tokyo SANKEI SHIMBUN
in Japanese 17 Jun 96 Morning Edition p 2

[FBIS Translated Text] Some members of the Liberal Democratic Party [LDP] decided 16 June to inaugurate a "Japan-DPRK Friendship Dietmen's League" (tentative) later this month to promote bilateral normalization talks with this communist state.

Nearly 40 diet members of both lower and upper houses are expected to join the league led by lower house member Yoichi Tani. The purpose is to activate exchanges with the DPRK mainly through diplomacy by members of Diet while supporting the government's bid for normalizing ties with the DPRK. The LDP intends to seek participation from diet members of other parties including the Social Democratic Party and New Frontier Party.

Japan: Consumption Tax Increase Set To Take Effect Apr 1997

OW2106115096 Tokyo KYODO in English
1119 GMT 21 Jun 96

[FBIS Transcribed Text] Tokyo, June 21 KYODO — A key advisory panel and the ruling coalition Friday endorsed a government plan to raise the tax rate on goods and services to 5 percent from the current 3 percent from April 1997.

The Tax Commission, an advisory body to the prime minister, and the tripartite ruling coalition formally adopted the proposal during Friday's [21 June] separate meetings.

The new rate is smaller than the 6 percent or so vigorously sought by the finance ministry as a way to build up the national coffers amid the fiscal constraints.

But, even the 5 percent hike will impose an additional 80,000 yen of expenses on a household with yearly earnings of roughly 7 million yen, possibly curtailing actual household spending by 1.8 percent in fiscal 1997, according to estimates by private think tanks.

Kan Kato, the commission's chairman, said at a press conference after the day's plenary session, "we have come to the conclusion that the 5 percent consumption tax should be implemented from April 1997 without fail as provided by law."

Kato said the commission drew up an opinion paper on the consumption tax to that effect, which will be soon submitted to Prime Minister Ryutaro Hashimoto.

Based on the recommendations, the Hashimoto cabinet will formalize the decision on the tax hike at its Tuesday meeting, government sources said.

The tax hike plan is part of a comprehensive taxation reform bill enacted in November 1994, which calls for lifting the consumption tax rate to 5 percent from next April.

The bill says a formal decision on whether or not to introduce the new rate should be made before Sept. 30 this year with consideration given to such factors as future social security costs and progress in administrative and fiscal reforms.

In the opinion paper, the Tax Commission said the 5 percent consumption tax is roughly equal to the permanent cuts in income and residential taxes implemented in advance from 1995.

Besides, as social security expenses are expected to increase with the aging of the populace, it is feared the nation's critical financial conditions could deteriorate further if the present situation is left as it is, the paper said.

Meanwhile, the three ruling coalition parties — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger] — worked out a written agreement on the 5 percent consumption tax, which proposed measures be studied to help vulnerable citizens under the new rate, including temporary welfare benefits.

In the agreement, the parties also said they will continue studying whether to introduce the reduced tax rate for food and beverages.

They also cited the need to study ways to ease the so-called double taxation, or individual indirect taxes on medical care, liquor, automobiles, housing, petroleum products, lodging, and wining and dining.

In addition to the current 3 percent consumption tax, the 3-5 percent acquisition tax is imposed on automobiles, for example, as individual indirect tax.

Tax Commission head Kato said, however, it is difficult to review individual indirect taxes in connection with the consumption tax hike, describing calls to annul such taxes as "the ego of industries."

Kato said the taxation system must be impartial and the review of indirect taxes should be considered across the board nationwide, not on a case-by-case basis.

He also said commission members have basically agreed the consumption tax rate should be uniform if it stands at around 5 percent, while acknowledging there are calls for a lower tax rate for foodstuffs.

But noting there is a possibility of the rate rising to the double-digit level in the future, Kato said the Tax Commission will take account of such calls in future discussions.

Kato welcomed progress so far on administrative and fiscal reforms, but said it is as yet insufficient.

"Although it will not produce money immediately, things are moving steadily toward results," Kato said.

The Tax Commission will continue to call for strong reform efforts with a view to restraining government expenditures and limiting taxpayers' burdens, the commission's opinion paper said.

The coalition parties shared the view that serious efforts toward administrative and fiscal reforms have been made in such fields as deregulation and reorganization of special publicly funded corporations.

The ruling parties said they will tackle the task of fundamentally reviewing systems in terms of both their administrative and financial components, pointing to the need to examine both the government's revenues and expenditures based on people's consent and understanding.

With the key consumption tax issue settled, the focus of attention has shifted to whether or not to maintain beyond 1996 a special income and residential tax cut which was originally implemented as a temporary step to prop up the then weak economy by stimulating private demand, analysts said.

Both the Tax Commission and the ruling coalition postponed a decision on the issue beyond the fall.

Kato has said, "it's not an issue we should discuss now...Many of the members claimed that the issue should be discussed at year-end in light of economic developments and separately from the consumption tax."

Japan: Business Reaction to Tax Increase Plans
OW2106124096 Tokyo KYODO in English
1145 GMT 21 Jun 96

[FBIS Transcribed Text] Tokyo, June 21 KYODO — A proposed rise in the consumption tax rate from 3 percent to 5 percent from next April caused mixed reactions Friday [21 June] in Japan's business and industrial world.

Some companies said they favor the plan, expecting demand to be boosted ahead of the proposed tax rise.

while others worried about its negative effects on the economy.

But in general, the industry received the tax hike plan as an inevitable choice, with Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), describing Friday's endorsement on the plan by a key government panel as "unavoidable."

However, business and industry want the special cuts in income and residential taxes that were implemented last year and this year to be continued next year, in order to reduce the negative impact of the consumption tax boost on the economy.

"Otherwise, the consumption tax rise effectively means a tax increase of about 10 trillion yen in total for consumers, and it would drag down the economy, which is gathering the upward momentum," said Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry.

Meanwhile, from the labor side, the Japanese Trade Union Confederation (Rengo) released a statement against the tax hike Friday, saying sufficient discussion has not been made before the government's Tax Commission reached the decision.

Rengo, Japan's biggest labor organization, called for about 2 trillion yen in special tax cuts next year.

Among industries, the housing sector sees the tax hike as a temporary benefit, expecting consumers to rush to buy homes before the cost goes up under the new rate.

Once the tax is raised to 5 percent, however, annual housing demand is expected to decline by a sharp 100,000 to 150,000 units, according an industry estimate.

The retail industry is also worried about the negative impact of the rise. The Japan Department Stores Association expects it will deal a bigger blow to consumer spending than when the consumption tax was introduced in 1989.

The association is calling for about 5 trillion yen in special cuts in income and residential taxes to ensure the "soft landing" of the economy after the impact of a higher consumption tax.

The automobile industry, expecting demand to decline by 300,000 cars next year due to the tax rise, is calling for the abolition of the automobile acquisition tax.

In contrast, the electric appliances industry is staying calm. A Sony Corp. spokesman said, "consumer demand will surely show a choppy fluctuation, but in the end the effects (of the tax rise) will gradually be absorbed."

Demand for personal computers and mobile phone equipment is expected to continue its double-digit growth, industry sources say.

According to the electronic industries association of Japan, makers of electric appliances are unlikely to raise prices because of a rise in the consumption tax.

North Korea

DPRK: U.S.-Japan Joint Development of Missile Defense Denounced

SK2206142396 *Pyongyang Korean Central Broadcasting Network in Korean*
0853 GMT 22 Jun 96

[NODONG SINMUN 22 June commentary: "Acts Arousing Watchful Caution"]

[FBIS Translated Text] The United States is persistently attempting to have Japan participate in joint development of the theater missile defense (TMD) system. The recent U.S. decision to provide Japan with advance warning data is also aimed at this. The TMD system is supposedly intended to defend the United States from a missile attack, but is, in actuality, an offensive system aimed at major regions of strategic importance, including the Korean Peninsula, and regions with rich resources. The United States is attempting to inveigle Japan into this.

The United States is trying to have Japan participate in the development of the TMD system not only to use Japan's money and technologies, but to inveigle Japan into coping with an emergency in the Far East through the Japan-U.S. alliance.

As has been reported, Japan and the United States adopted a joint security declaration in April, in which the two sides stressed the importance of the Japan-U.S. security system with its extended coverage to the Asia-Pacific region. Through this, the United States came to have Japan more firmly at its disposal militarily, and made Japanese participation in the war in case of emergency a matter of course.

The United States is now attempting to control Japan as it pleases under the pretext of joint development of the TMD system and to have Japan participate in its new war provocation maneuvers. The words in case of an emergency in the Far East really mean in case of an emergency on the Korean Peninsula. Nye, former U.S. assistant secretary of defense, said in April: I am convinced that we will receive Japanese support, such as our use of the bases in Japan and communications support, in case a war breaks out in Korea.

The former head of the Japan division of the U.S. Defense Department, interviewed by Japan's JIJ PRESS in May, said that the United States thinks Japan will take up a risky mission in case of an emergency in the surrounding region and that Japan's logistical support to the U.S. Forces will not be enough, thus hinting that Japan will participate in case of a war in Korea. This clearly suggests what is meant by the U.S. inveigling Japan into coping with an emergency in the Far East.

This coping by the United States and Japan with an emergency in the Far East is not limited to the Far East. The invariable U.S. scheme is to establish a sphere of domination in the Asia-Pacific region, including the Far East, by strength. The United States is inveigling Japan into realizing this objective. Therefore, the United States is giving tacit consent or encouragement even to the Japanese maneuvers to become a military power, something which the people of Asia are observing with caution.

Undoubtedly, joint development of the TMD system will give justification to Japan becoming a military power. In short, the United States is trying to revive the structure of the cold war confrontation in the Far East with the help of Japan and, in this way, dominate the region by strength.

The reappearance of the structure of the cold war confrontation in this region will render the situation of the region all the more strained and kindle a new round of an arms race. Nobody can guarantee that this will not lead to a military showdown. The consequences will not be beneficial to anyone.

Those who have tunnel vision will suffer from their mistakes. The United States had better give careful consideration to the consequences.

DPRK: U.S., Japan Discussing 'Offensive' Missile Defense System

SK2206072696 *Pyongyang KCNA in English*
0721 GMT 22 Jun 96

["U.S. Watched With Caution Over TMD Development" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 22 (KCNA) — The United States wants to see Japan taking part in the development of the "theatre missile defense (TMD) system", which is, in actuality, an offensive system aimed at the Korean Peninsula and other regions of strategic importance and regions with rich resources. By doing so, the U.S. intends not only to use Japan's money and technologies but to inveigle Japan in "coping with emergency in the Far East" through the "Japan-U.S. alliance."

NODONG SINMUN says this in a commentary today.

It is what the U.S. has invariably sought to establish a sphere of domination in the Asia-Pacific region, the daily says, adding:

The U.S. is trying to revive the structure of the cold war confrontation in the Far East with the help of Japan and, in this way, dominate the region by strength.

The reappearing structure of the cold war confrontation will inevitably render the situation of the region all the more strained and enkindle a new round of arms race. Nobody can vouch that it will not lead to a military showdown. The consequences will not be beneficial to anyone.

The U.S. had better give a careful consideration to the consequences.

DPRK Paper: U.S. 'Aggressor and Provoker' of Korean War

SK2306052796 *Pyongyang KCNA in English*
0523 GMT 23 Jun 96

["U.S., Aggressor and Provoker of Korean War" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — The insidious forces are conducting false propaganda that the DPRK "started" attack during the last Korean war, in a bid to shift the blame on to the DPRK.

NODONG SINMUN today criticises it as a shameless act of a burglar sounding the burglar alarm and as a heinous forgery of history.

The author of the article documents the fact that the U.S. imperialists and their puppets started the Korean war (June 25, 1950-July 27, 1953) and the United States is directly responsible for the war.

From the first days of their occupation of South Korea, the U.S. imperialists defined the South Korean puppet army as a "shock force" in war of aggression against the DPRK and concentrated on arming it and enhancing its war capacity.

The South Korean puppet army equipped with U.S. weapons numbered far more than 100,000 by the end of 1949.

The armed provocations against the North were perpetrated on more than 2,600 occasions in 1949 alone.

The imperialists completed the Korean war provocation plan codenamed AL-3 and made full preparations to put it into practice. The preparations included all kinds of documents designed to shift the blame for the provocation of war on to the DPRK, such as a "resolution" to

be submitted to the United Nations to "denounce" the DPRK and justify U.S. involvement in the Korean war.

U.S. Secretary of Defense Johnson reported to President Truman on May 9, 1950 that "100,000 South Korean troops equipped with U.S. arms and trained by Americans have completed their preparations and are ready to start a war any moment."

Truman hurriedly sent advisor to the U.S. State Department Dulles to South Korea in June 1950. The U.S. President also sent Defense Secretary Johnson and Chairman of the Joint Chiefs of Staff Bradley to Tokyo to consult with MacArthur and decide on all necessary formalities including the time of war provocation.

Dulles "inspected" the 38th Parallel on June 18 to witness the preparations for war of aggression. The next day, he received a detailed report from the traitor Syngman Rhee.

Dulles had a secret meeting with Johnson, Bradley and MacArthur in Tokyo and finally confirmed all the war preparations including the time of the start of the Korean war.

"Chief of staff" of the South Korean puppet Army Chae Pyong-tok, on the instructions of U.S. imperialism, issued order No. 29 dated June 21, 1950, which urged the first and second combat commands to start attack on June 25.

Under the order, the South Korean puppet army started "northward invasion" all at once on the early morning of June 25.

Facts clearly prove that the U.S. imperialists are provocateurs and aggressors who prepared and started the Korean war and that they are criminals who inflicted colossal human and material losses on the Korean people and gravely disturbed peace in Asia and the world.

The situation of South Korea is reminiscent of the eve of the June 25, 1950 Korean war started by U.S. imperialism.

If the U.S. war hawks and the South Korean puppets unleash another war of aggression, the People's Army and people of Korea will wipe out the aggressors at one blow.

DPRK: U.S. Plan To Create New Helicopter Brigade in ROK Denounced

*SK2206150296 Pyongyang Korean Central Broadcasting Network in Korean
1222 GMT 22 Jun 96*

[Commentary by Yun Pyong-son: "Unchanged Attempt for Invasion"]

[FBIS Translated Text] The U.S. bellicose quarters [mugugui hojon kyechung] are continuously causing tension on the Korean Peninsula, accelerating the arms buildup in South Korea. According to reports, the U.S. occupation forces in South Korea stated on 21 June that they will create an air brigade of AH-64 Apache helicopters in the middle of July. The air brigade — to be deployed in Pyongtaek, Kyonggi Province — will be established mainly with 30 Apache helicopters, which will be newly deployed in South Korea on 22 June, and the two Apache squadrons will belong to the 17th Air Brigade of the U.S. Army in South Korea.

Meanwhile, reconnaissance planes equipped with updated electronic devices will be deployed by the U.S. occupation forces in South Korea beginning late this month. This is part of their arms buildup maneuver aimed at provoking a war of northward invasion, and it is an intolerable challenge and provocation to our people who desire peace on the Korean Peninsula.

Following the end of the Cold War, the removal of foreign military bases and arms reduction have been worldwide tendencies. However, the United States maintains a Cold-War structure only on the Korean Peninsula, and is constantly strengthening it. Arms reduction is necessary, above all, to curb the increasing danger of war and to ease tensions on the Korean Peninsula, the most dangerous hot spot in the world. This is why all the Korean people and a wide range of peace-loving people in the world strongly denounce the U.S. forces' arms buildup maneuver and demand the withdrawal of the U.S. forces from South Korea.

Nevertheless, the U.S. bellicose forces [migugui hojon seryok] are attempting to establish a new air brigade in South Korea. This is a deliberate maneuver aimed at threatening peace and aggravating tensions on the Korean Peninsula. The U.S. bellicose quarters are trying to crush [apsal] our Republic by force of arms at any cost. Engaged in arms buildup and war exercise commotions, the United States is driving the situation of the Korean Peninsula to the brink of war and is instigating the puppets to North-South confrontation, as well as unalterably refusing to accept our proposal to establish a new peace mechanism. All this stems from this criminal purpose.

Remarks by the U.S. warmongers on detente and peace on the Korean Peninsula and the like are nothing but a brazen sophistry aimed at hiding their aggressive nature. The U.S. imperialists' criminal and aggressive attempt to invade the northern half of the Republic using South Korea, its colonial military base, as a stepping stone and to further dominate the world has never changed.

It is not merely by chance that a wide range of peace-loving people of the world are expressing great concern about the U.S. imperialists' arms buildup. Facts clearly show that it is none other than the United States that is aggravating tensions and disrupting peace on the Korean Peninsula. We will not assume an indifferent attitude toward the constant arms buildup and war maneuvers by the U.S. bellicose forces. Those who run counter to the trend of the time and the people's desire for peace are to be punished.

The aggravation of tensions on the Korean Peninsula is also unfavorable to the United States. The United States should not forget the lesson that it faced a disgraceful, crushing defeat as a result of provoking aggression during the Korean war. The U.S. people do not want American youth to fall victim to a war to invade Korea as they did during the Korean war. The U.S. bellicose quarters had better contemplate grave consequences of their reckless arms buildup maneuver and act discreetly.

DPRK: KCNA Denounces U.S. Plans To Develop New Helicopter Brigade

SK2306050696 *Pyongyang KCNA in English*
0505 GMT 23 Jun 96

["U.S. Arms Buildup Plan" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — The U.S. imperialist aggression forces plan to organise a new Air Force brigade with newly introduced 30 Apache helicopters and other helicopters of the same type that have belonged to the 17th Air Force Brigade of the U.S. Army in South Korea, a radio report from Seoul said on June 21.

This arms buildup scheme gives rise to vigilance at home and abroad.

DPRK: KCNA Denounces U.S. as 'Hell-Bent on Arms Buildup'

SK2406082096 *Pyongyang KCNA in English*
0811 GMT 24 Jun 96

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — The United States shipped 30 "AH-64 apache" helicopters to Pusan Port, South Korea on June 22, a Seoul-based radio said.

The helicopters brought this time under the "plan of modernization" of the U.S. forces in South Korea are of the latest type with improved attack power and manoeuvrability. They can be equipped with air-to-ground missiles and machine guns.

The United States plans to deploy them at an air force brigade of the U.S. forces to be organized in mid-July.

The puppet clique are loudly describing this new U.S. step as a "big help to arms buildup".

This illustrates that the U.S. hawks, hell-bent on arms buildup for a new war, are driving the situation of the Korean peninsula to an acute phase.

DPRK: KCNA Denounces U.S., ROK 20-22 Jun Military Exercises

SK2406043396 *Pyongyang KCNA in English*
0429 GMT 24 Jun 96

["U.S., South Korea Stage Military Exercises Against DPRK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — The U.S. imperialist warmaniacs brought an E-3 aerial commanding plane and an EA-6 electronic jamming plane to South Korea from their overseas base and carried out an adventurous joint air war exercise on June 21 and 22 to prepare a surprise attack on major targets in the interior of the Democratic People's Republic of Korea at mid-night in combination with the South Korean puppet army, military sources said.

The drill, which was staged day and night in the air above Tongduchon, Kapyong and Uijongbu, involved more than 770 fighter-bombers, assault planes and pursuit-assault planes.

Meanwhile, over June 20-22, scores of heavy tanks belonging to the puppet army took part in a ground attack drill against the North in the western sector of the front, firing more than 300 shells.

The puppets deployed 105 mm and 155 mm guns in artillery positions in the western and central sectors of the front on the 20th and 21st and fired some 1,860 shells, supporting ground units in anti-North attack exercises.

Now the situation of the Korean peninsula is in a touch-and-go state due to their anti-North war moves.

If the U.S. imperialist warmaniacs and the Kim Yong-sam group of South Korea infringe upon even an inch of our land, we, who regard the country's sovereignty and dignity as the most valuable, will annihilate all of them.

DPRK: KCNA Denounces 'Overt Military Provocations' Against DPRK

*SK2206025196 Pyongyang KCNA in English
0247 GMT 22 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 22 (KCNA) — Units under the puppet Capital Garrison Command of South Korea reportedly held a "field tactical exercise" firing bullets and shells in the Seoul area on June 20 while the three services of the puppet Armed Forces staged a combined exercise to cope with "provocation" by the North.

Earlier, the puppet Marines frantically carried out a "surprise landing exercise" and "all-round demonstration exercise to counter the enemy provocation in the period of green foliage."

These overt military provocations against the North are deliberate and premeditated ones to drive the situation to the brink of war.

It is universally recognised that there is no "threat from the North" on the Korean peninsula.

Facts show the Kim Yong-sam group are seeking a way out of the worst "government" crisis in a war against the North.

It is entirely thanks to the patient peace efforts of the North that these reckless military provocations have not yet led to a war.

There is, however, a limit to the North's patience.

If the Kim Yong-sam group unleash a war, misjudging the North's self-control, the Korean people and the People's Army will smash the provocateurs at one blow and wipe out the warmaniacs on the Korean peninsula.

DPRK: Papers Warn South Against 'Escalating' War Exercises

*SK2206060496 Pyongyang KCNA in English
0432 GMT 22 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 22 (KCNA) — Papers here today accuse the Kim Yong-sam bellicose group of South Korea of escalating provocative war exercises against the North.

NODONG SINMUN says they have got frenzied in war exercises against the fellow countrymen in the North, going against the nation's desire for peace and reunification. This is a deliberate and premeditated move to intentionally increase tension in the Korean peninsula, a provocation which cannot be overlooked, it says.

In a commentary, the daily says:

It has become all the clearer that they are trying to find a way out of their serious crisis in unleashing a war against the North.

In actuality, they have been carrying out one operation after another envisaged in the war plan dubbed "five-stage 5027 operations". They have frequently staged military manoeuvres and continued introducing sophisticated military equipment and combat material from the United States and other countries.

They, who are only seeking their wealth and power, cleanly indifferent to the destiny of the country and the nation, will unhesitatingly plunge the fellow countrymen into a nuclear holocaust by outsiders. They are, indeed, a group of warmaniacs and traitors without equal in the world.

The daily MINJU CHOSON says that if the Kim Yong-sam group ignites another fratricidal war, the provokers will be annihilated.

DPRK: KCNA Denounces 'Unpardonable' 'Slander' by Kim Yong-sam

*SK2406035296 Pyongyang KCNA in English
0347 GMT 24 Jun 96*

["Traitor's Slander Unpardonable" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — The traitor Kim Yong-sam is resorting to smear campaign against the North in a last-ditch effort to seek a way out of his political crisis.

In an "interview" with the TOKYO SHIMBUN June 21, he made extremely slanderous remarks over the food problem in the North.

So far he has groundlessly slandered the North on every possible occasion. His recent slander seriously gets on the nerves of the North. This adds to the unpardonable crimes he has committed by driving the North-South relations to the worst phase.

Ever since foreign countries and international organisations began humanitarian assistance to the DPRK in the wake of flood damage last year, Kim Yong-sam has viciously hindered it.

He dispatched his underlings to different countries where they offered to sell something at cheap price and asked them not to render humanitarian help to the DPRK in return for that. He went so far as to threaten to invoke the "National Security Law" against overseas Koreans if they send relief goods to the North from a compatriotic stand even under official permission of relevant countries.

If Kim Yong-sam continuously resorts to the anti-DPRK smear campaign, the North-South relations will never be improved and the tensions will deteriorate and evidently lead to war.

The heinous traitor Kim Yong-sam must be overthrown without delay.

DPRK Dailies Observe Anniversary of 5-Point Reunification Policy

SK2306053496 *Pyongyang KCNA in English*
0530 GMT 23 Jun 96

["Papers Observe Anniversary of Five-Point Policy of National Reunification" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — Papers here today observe the 23rd anniversary of the publication of the great leader President Kim Il-song's historic work "Let Us Prevent a National Partition and Reunify the Country" (June 23, 1973).

In the work, the president put forward a five-point policy of national reunification as a measure to get over the difficulties facing the country and the nation and open an epoch-making phase for national reunification.

The main idea of the policy is to eliminate military confrontation and tension between the North and South, to bring about multilateral collaboration and interchange between the North and South, to convene a great national congress composed of the representatives of people of all walks of life, political parties and social organisations in the North and South, to institute a North-South confederation under the name of the Confederal Republic of Koryo, etc.

NODONG SINMUN in a by-lined article titled "Let Us Open Way of Peace and Peaceful Reunification Under Banner of Great National Unity" says:

The five-point policy is a measure to open a bright phase for national reunification as desired by the entire nation. It is a reasonable and realistic way of reunification which is acceptable to anyone who truly loves the country and the nation and wishes reunification.

The most important task facing the national reunification movement at present is for the entire nation to push ahead with the efforts to fulfill President Kim Il-song's instructions on reunification, closely united around the great leader Comrade Kim Chong-il, the lodestar of national reunification.

We have absolutely just and reasonable reunification programmes such as the three principles of independence, peaceful reunification and great national unity, the five-point policy of national reunification, the pro-

posal for founding a Democratic Confederal Republic of Koryo and the Ten-Point Programme of the Great Unity of the Whole Nation, which were put forward by President Kim Il-song.

When the entire nation unite firmly and implement these programmes to the letter, the anti-reunification activities of the separatists will be impotent and a bright vista of national reunification will be opened.

All the Koreans should reunify the country in accordance with the reunification principle and policy based on national independence put forward by President Kim Il-song, come what may.

All the Koreans in the North, South and overseas should unite firmly and courageously wage a nationwide struggle to smash the Kim Yong-sam group's moves to unleash another war.

All the fellow countrymen should pool their strength and resolutely fight to establish a new peace mechanism between the DPRK and the United States, put an end to the Kim Yong-sam group's military exercises against the North and smash their suppression of the pro-reunification forces.

MINJU CHOSON runs a by-lined article titled "Let Us Open New Phase for Reunification With Nation's Own Effort."

DPRK: Farm Subwork Team Management System Lauded

SK2106121496 *Pyongyang MINJU CHOSON*
in Korean 14 May 96 p 3

[Article by Ho Tong-uk, director of a department in the Agricultural Commission: "The Important Issue in Consolidating and Developing the Subwork Team Management System"]

[FBIS Translated Text] While emphasizing enhancement of cooperative farm workers' eagerness to increase output, the party has recently set forth consolidation and development of the subwork team management system as one of its important methods.

The Great Leader [suryong] Comrade Kim Il-song has taught:

"We should continue to develop the subwork team management system and see to it that the superiority and vitality of the system is displayed more clearly."

The subwork team in cooperative farms is a most reasonable cell [sepo] for joint labor and collective life, and the subwork team management system is an excellent form of organizing agricultural production and an excellent management method that enhances

farm members' eagerness to increase output and causes farm workers to sincerely participate in agricultural production and management, with an attitude worthy of masters, by cherishing a sense of attachment to common labor.

Cooperative farm workers are the masters of socialist farms who are directly charged with agricultural production. Only when the production role of cooperative farm workers is high can great success be attained in developing the rural economy.

Enhancement of cooperative farm workers' eagerness to increase output will be excellently realized when priority is given to the political work inspiring their ideology and when their eagerness to increase output is encouraged by material incentives [muljilchok chaguk].

The subwork team management system not only gives political and moral incentives to cooperative farm workers, but also precisely combines these incentives with material incentives in compliance with the transitional nature of socialist society and with the realistic demand. Thus, the subwork team management system enables farm workers to constantly and promptly increase agricultural production with awareness of being the masters, with lofty revolutionary zeal and creative positiveness, and with eagerness to increase output.

The subwork team management system, which was created by the great leader [suryongnim] and has been consolidated and developed by the wise leadership of the respected and beloved general, is already displaying great superiority and vitality and is working as a powerful driving force for strengthening and developing the socialist rural economic system based on collectivism and for increasing agricultural production.

We should effect a decisive turning point in grain production this year and thoroughly implement the party's revolutionary economic strategy by epochally enhancing the people's living standards and by upholding the agriculture-first policy according to the party's intention noted in the joint editorial. This reality demands that the subwork team management system, whose justness and superiority have been clearly proven through practical experience, should be continuously developed, and through this cooperative farm workers' eagerness to increase output, should be further enhanced.

The priority issue raised in doing this is to further strengthen all the subwork teams politically and ideologically.

For this, we should firmly arm subwork team members with the party's policy and strengthen unity of ideas and will within subwork teams based on the party's unitary ideology. Only the subwork team which has

attained firm unity of its ideas and will based on the party's unitary ideology can be called a genuine revolutionary group. In this sort of subwork team, collectivism can be highly displayed and subwork team members' eagerness to increase output can be enhanced. Thus, they will be able to satisfactorily accomplish their revolutionary missions. Therefore, we should see to it that all subwork team members firmly arm themselves with the party's policy by deepening political work and ideological indoctrination work so that they assume our party's unitary ideology as their firm faith. In particular, we should see to it that subwork team members thoroughly establish the revolutionary outlook to unconditionally accomplish the behest of the great leader [suryongnim] given to the rural economy sector and remarks of the respected and beloved general with a clear understanding of them. We should pay extraordinary attention to encouraging subwork team members to live and work with the spirit of "the arduous march" and to excellently reflect in their works and lives the party's intention to make people live today for the future, not for the sake of today. We should also see to it that all subwork team members help and lead each other with the spirit of one for all and all for one by intensifying education in collectivism and that they accomplish the impending tasks in a timely and substantive manner through collective innovations.

Responsible implementation of revolutionary missions assigned to subwork teams is an important guarantee for consolidating and developing the subwork team management system. Consolidating and developing the subwork team management system are ultimately designed so that all subwork teams will achieve greater success in overall agricultural production by doing farming better.

For this, first of all, labor power, lands, and agricultural machines should be consigned [kochak sikigo] to subwork teams for a long time; their management should be carried out scrupulously; and their utilization plan should be organized attentively.

In doing this, it is important to concentrate labor power and agricultural machines on farming, and increase output from all fields and paddies of subwork teams by thoroughly accomplishing the party's slogan, "The farm fields are my fields!"

Next, the daily evaluation of work [noryogil pyongka saop] should be correctly carried out in each subwork team.

According to the party's measures, in the event that subwork teams overfulfill the grain production assessment plan [algok saengsan pyongka kyehoek], the portion that exceeds the planned target amount is to be distributed to the relevant subwork teams. This is a wise step for farm

workers to drastically increase agricultural production with awareness worthy of masters and a lofty eagerness to increase output.

The daily evaluation of work is an important means of leverage ensuring that measures are implemented correctly. Working days should be precisely evaluated to distribute in a fair manner that grain which exceeds targeted amounts to the members of the subwork team according to their practical contributions to subwork team farming, so their eagerness to work may be further enhanced. Therefore, the subwork teams of cooperative farms should specifically confirm the quality and quantity of the work done by the subwork team members each day and enhance the role of the members of the working day evaluation team so they may evaluate the work collectively and accurately.

In solidifying and developing the subwork team system, the task assigned to the heads of subwork teams is very great. As practical experience shows, the subwork teams, whose team heads do their work well, build the subwork teams to be true revolutionary collectives without exception and attain innovative success in agricultural production.

Under the guidance of the party organizations, the rural economic sector should firmly build the ranks of the subwork team heads of the cooperative farms to be core members of the rural area with boundless loyalty to the party, with a strong sense of responsibility, and with high political business-like dispositions and high popularity with the masses.

With high awareness worthy of masters that they are responsible for the production and economy of the subwork teams, the heads of the subwork teams should properly carry out the indoctrination work for the subwork team members and properly organize farming work in each season, leading the masses by setting examples and showing by practice rather than by precept.

To solidify and develop the subwork team management system, the guidance work for it should be done well.

The cooperative farm management committees should deeply understand and grasp daily the status of the work of subwork teams and thoroughly fulfill principled demands in implementing the subwork team management system. The agricultural guidance organizations, including the county cooperative farm administration committee, should make it one of the important tasks of the enterprise guidance to see to it that the subwork team management system is precisely implemented. At the same time, they should render appropriate effective assistance for the subwork team work by enhancing the

standard of the subwork team heads and intensifying the technical guidance so that the subwork teams may overfulfill the grain production assessment plan.

The rural economic sector should solidify and develop the subwork team management system according to the party's intent to increase agricultural production and thoroughly display the might of the socialist rural economic system based on collectivism.

South Korea

ROK: Purpose of Kantor's Planned Visit Said Trade Pressure

SK2306131796 Seoul KYONGHYANG SINMUN in Korean 23 Jun 96 p 5

[Article by reporter Ho Won-hyong: "Why Is U.S. Commerce Secretary Kantor Going To Visit the ROK?"]

[FBIS Translated Text] Amid an atmosphere where ROK-U.S. trade conflicts in automobiles, communications equipment, and agriculture are likely to grow, U.S. Commerce Secretary Mickey Kantor will visit the ROK on 25 June.

Secretary Kantor will stay in our country for two days during his visit to Southeast Asia. However, his planned visit seems to be a sign of increasing U.S. trade pressure on the ROK because it will be made following the visit by Andrew Card, chairman of the U.S. Automobile Manufacturers Association, who visited the ROK late last month and met with ranking ROK Government officials, including the minister of trade, industry, and energy, to exert pressure on us to further open our market.

The Ministry of Trade, Industry, and Energy and the Korea Traders Association stated on 22 June that during his stay in the ROK, Secretary Kantor will have a series of talks with Trade, Industry, and Energy Minister Pak Chae-yun, as well as ROK political and business leaders, and will likely actively ask the ROK to expand its automobile and communication market opening.

Negotiating the expansion of the ROK's automobile market opening, the United States has claimed that the increased ROK tariff for jeeps is a new obstacle limiting market access for U.S. automobiles. Thus, it is believed that the United States will demand improvements in our automobile tax system, such as a cut in tariffs on imported automobiles.

In the 3 June evaluation report on implementing the ROK-U.S. agreement on the automobile issue, the United States recognized the ROK Government's policies for expanding its market opening, including the

measure of lifting advertising restrictions, but it hinted at its plan to exert further pressure, saying the ROK should do more to expand the market opening.

Accordingly, during his visit to the ROK, Secretary Kantor will likely pressure the ROK to lower tariffs on imported automobiles, including jeeps, as well as work to increase their market share in the ROK.

At the same time, it is also expected that U.S. pressure for the ROK to open its communications market will be great. As a new list of companies allowed to conduct the telecommunications business has been drawn up, it is certain that the United States will pressure the ROK to allow the new companies engaged in providing personal communication systems (PCS), international telephone services, etc. to purchase U.S. equipment.

The United States earlier made it clear that it would retaliate against any refusal to open the communications market, invoking Article 1374 of its Trade Law. (A report on this was carried by KYONGHYANG SINMUN on 2 June on page 9.) Therefore, Secretary Kantor's ROK visit will focus on this issue, too.

The two countries will inevitably differ in their opinions on this issue because our government's policy is that this issue should be discussed in separate negotiations in the future because the issue regarding the new communication fields, including the PCS field, is outside the boundaries of the existing communications treaty.

Concerning the domestic system for inspecting imported agricultural products, the United States will also likely demand the simplification of customs formalities as well as the improvement of inspection procedures. The United States has persistently asked the ROK to improve its customs procedures, saying that the complicated food clearance system of the ROK spoils agricultural products and shortens the terms of distribution.

Meanwhile, Secretary Kantor will be accompanied by many U.S. businessmen, including a considerable number of figures engaged in the aviation business. This also attracts public attention because during their ROK visit they are expected to meet with domestic business leaders to seek ways to set up U.S. aviation businesses in the ROK.

ROK Paper Calls Mickey Kantor's Visit 'Burden' to ROK

SK2406054096 Seoul CHUNGANG ILBO in Korean
24 Jun 96 p 6

[Editorial: "Kantor's Visit to ROK and the Principle of Trade"]

[FBIS Translated Text] The visit to the ROK by U.S. Secretary of Commerce Mickey Kantor, who is known as a hard-liner within the Clinton administration as far as trade negotiations are concerned, is providing an advance warning of the high waves [pago] that will occur in our trade negotiations with the United States. Secretary Kantor's visit to the ROK is being pushed forward with a clear U.S. purpose to enhance the economic position of the United States in Asia. Thus, his visit will prove a burden [pudam] to us.

Even before he embarked on his trip, Kantor clarified the goals he is seeking as regards issues which were not satisfactorily resolved in ROK-U.S. trade negotiations. These issues include automobiles, telecommunications equipment, quarantine of agricultural products, and the like. For example, in the case of automobiles, it is likely he will demand the lowering of taxes on jeep-type recreational vehicles (RV), which is regarded by the United States as having comparative superiority, as well as lowering import duties on cars. In addition, there is a great possibility he will demand numerical goals for market shares of U.S. cars based on the method the United States applied during its negotiations with Japan.

The ROK Government has already mapped out the principle that since its trade deficit with the United States has been increasing, it cannot accept the excessive demands of the United States. In other words, the ROK Government's strategy is that it will emphasize the atmosphere fostered by the World Trade Organization [WTO] which pointed out that the demand for numerical goals poses certain problems. Another possible persuasion would be that since our customs level is the same as that of the European Union, further adjustments to the customs level are unreasonable.

Nevertheless, the problem is that in contrast with ROK-made automobiles that experience difficulties in U.S. markets, recently the demand by ROK consumers for U.S. cars has increased drastically. The United States is well aware of this. This being the case, there is a great possibility the United States will apply drastic pressure to expand its markets in the ROK in the belief that the increase in its share of the ROK market will be feasible only if it pushes for it. Therefore, the ROK should make all efforts to work out negotiation strategies based on reasonable logic, and should flexibly cope with

the situation according to principles. The purpose of Secretary Kantor's visit to the ROK is not limited only to a few trade negotiation subjects. Major businessmen in the aviation and telecommunications industries are included among his entourage. As regards the issue of cooperation in their projects, including investments, negotiations between civilian businessmen from both sides will bring about a more substantive fruition of the economic benefits of the two countries rather than negotiations between government officials of the two countries. Thus, we would like to call on the government to pay attention to this.

ROK Daily Concerned Over 'Violence' Committed by U.S. Soldiers

SK2406032196 Seoul TONG-A ILBO in Korean
23 Jun 96 p 3

[Editorial: "There Should Be No More Violence by U.S. Soldiers"]

[FBIS Translated Text] Drunken U.S. soldiers reviled a group of Koreans the other night on a downtown street in Seoul, and when the Koreans challenged them, reviling them in English, the U.S. soldiers began a fist fight. Even after they were taken to a police box, they reportedly resorted to violence, engaging in violent actions and abusive language while refusing the police examination.

Why have the sex crimes and violence by U.S. soldiers against Koreans become a constant event? Of course, we can understand such a phenomenon because U.S. soldiers are sanguine young people just like our own young people.

However, considering the aftermath their acts bring about, we can no longer leave them untreated. In view of their status, they are not merely young people. They are soldiers who are here in the ROK as representatives of the United States, charged with the important mission of defending freedom and peace. Thus, their every act has a great and important effect on relations between the two countries.

The contributions the U.S. Forces in Korea have made for half a century to preserving peace on the Korean peninsula cannot be underestimated. We have enjoyed high economic growth under the security umbrella of the United States.

The U.S. Forces in Korea, totalling 36,000 troops, have played a role conducive to alleviating tensions in Northeast Asia, to ensuring the world's peace, and to ensuring the national interests of the United States.

In particular, the ROK's international status as a sovereign country has been recently promoted to such

a level that it has become a non-standing member of the UN Security Council. This should not be forgotten.

The U.S. Forces in Korea are stationed here because of the need of the two countries, not merely to provide unilateral assistance to the ROK by the United States. In other words, the two countries have a security partnership. This is one of the reasons why efforts are presently being pushed forward to revise the ROK-U.S. Status of Forces Agreement [SOFA].

We would like to urge the U.S. military authorities in the ROK to thoroughly strengthen education among U.S. soldiers as an effort to prevent them from triggering unnecessary conflicts with Korean citizens. At the same time, Korean citizens as well should refrain from having a prejudiced view of U.S. soldiers, and should behave discreetly so as not to cause a crack in the traditionally friendly relations between the two countries.

ROK Daily Views Clinton's Dilemma Over DPRK-Egypt Missile Deal

SK2406051796 Seoul KYONGHYANG SINMUN
in Korean 23 Jun 96 p 7

[Article by reporter Pak In-kyu: "Leak of the 'North Korea-Egypt Missile Deal'"]

[FBIS Translated Text] The Clinton administration, which has faced difficulties conducting its foreign policy due to the deep cuts made to its diplomacy budgets by the Republican-controlled Congress, is now in trouble due to internal bickering: It faces a dilemma ever since a government agency leaked the North Korea-Egypt missile equipment deal to the press.

THE WASHINGTON TIMES reported this on 21 June. That day, Nicholas Burns, a spokesman for the U.S. State Department, said "this is the second leak of information following one last week" and sternly denounced the undisclosed leakers as "narrow-minded and gutless."

He also deplored the leakers, saying: "They have leaked the information to THE WASHINGTON TIMES, thus knifing some State Department officials and causing inter-agency bickering." When questioned which agency had leaked the information, he backtracked, saying: "There is a suspicion, but I cannot tell."

THE WASHINGTON TIMES reported the PRC's sales of M11 missiles to Pakistan last week, which has placed the Clinton administration in an embarrassing situation.

Prior to that, the Clinton administration decided not to impose sanctions on the PRC despite Beijing's sales of nuclear equipment to Pakistan. The administration made the decision in the belief that it need not incur the PRC's

displeasure at a time when it acutely needed Beijing's diplomatic cooperation over the North Korean issue and other matters.

North Korea and Egypt occupy an important position as far as U.S. diplomacy is concerned. Egypt is a major partner of the United States when it comes to U.S. policy in the Middle East. The United States gives Egypt \$2.1 billion in assistance annually, the biggest recipient after Israel. Moreover, the United States is not in a position to distance itself from Egypt because all the accomplishments it has achieved in the Middle East peace process are at stake since [former Israeli Prime Minister] Shim'on Peres has lost power.

North Korea's case is more tricky. The Clinton administration has boasted about the North Korean nuclear freeze, a result of the Geneva agreement, as its greatest diplomatic accomplishment, and has maintained a policy of "embracing North Korea."

However, as North Korea's exports of missile equipment have been disclosed, the position of the Clinton administration has become less convincing. Moreover, North Korea's credibility will again decrease because the information on the North Korea-Egypt missile deal was leaked while North Korea-U.S. missile negotiations were under way. Nevertheless, the Clinton administration will seek to solve the problem concerning North Korea not through sanctions, but through persuasion. However, this strategy will not go down well with the Republican Party.

ROK: KEDO, DPRK To Study Environmental Impact of Reactor Site

SK2206003696 Seoul YONHAP in English
0030 GMT 22 Jun 96

[FBIS Transcribed Text] New York, Jan. 21 (YONHAP) — The Korean Peninsula Energy Development Organization (KEDO) and North Korea will conduct a joint study to assess safety and environmental impact of the light-water reactor project in Sinpo, North Korea, from July 6 through July 30, KEDO officials said Friday.

A total of 21 people including technical experts from each side will take part in the project and each side will come up with a separate report, according to the sources.

It will be the first time KEDO and its North Korean counterpart work together in an assessment project at the reactor construction site.

The two sides will also negotiate protocols on the control of the light-water reactor site and the manpower and materials to be provided by North Korea. The

protocol negotiations are scheduled to take place at a hotel in Mt. Myohyang, according to the sources.

ROK May Adopt 'Special Provisions' to Law for LWR Project

SK2206053296 Seoul YONHAP in English
0527 GMT 22 Jun 96

[FBIS Transcribed Text] Seoul, June 22 (YONHAP) — The government plans to incorporate some special provisions designed to help facilitate the North Korean light-water nuclear reactor [LWR] project into the existing Inter-Korean Exchanges and Cooperation Law.

Under the new provisions, a government official said Saturday [22 June], the reactor project will be considered part of a "joint national development program."

A general agreement has been reached on the supportive measures among concerned government agencies including the National Unification, Finance-Economy, Trade-Industry-Energy and Science-Technology Ministries, the official said.

The Korea Electric Power Corp. (KEPCO), the prime contractor for the reactor project, applied to the National Unification Ministry on June 5 for the government approval of its capacity as an inter-Korean cooperation business on the basis of the proposed supportive provisions, the official added.

Under the proposed special measures, according to the source, the light-water reactor supply agreement will take precedence over the Inter-Korean Exchanges and Cooperation Law when the two conflict with one another.

Procedures will also be simplified for approving KEPCO's status as a cooperative entity and the reactor project as one of inter-Korean cooperation. Procedures for the shipment of equipment and materials and the travel of personnel involved in the reactor project will also be drastically curtailed.

In its application, KEPCO substituted the required written intent of business with the light-water reactor supply agreement signed between the Korean Peninsula Energy Development Organization (KEDO) and North Korea. It was also exempted from submitting a number of documents that are otherwise required.

In the process of approving KEPCO's project under the law in question, the National Unification Ministry reportedly plans to replace a North Korean confirmation of project with protocols between KEDO and North Korea and KEPCO's contract with KEDO as the reactor project's prime contractor.

The authorities also plan to minimize potential inconveniences in the shipment of equipment and materials and the travel of personnel engaged in the reactor project.

ROK Daily: Kim Chong-il 'Secretly' Visited Sinpo Reactor Site

SK2406030996 Seoul CHOSON ILBO in Korean

24 Jun 96 p 9

[Report by Kim In-ku]

[FBIS Translated Text] It was revealed on 23 June that early this month, North Korea's Kim Chong-il secretly visited the construction site for the light-water atomic reactor in Sinpo, South Hamgyong Province.

A relevant government official stated: "It was confirmed that Kim Chong-il, while inspecting areas in North and South Hamgyong Provinces and Kwangwon Province for two weeks beginning 4 June, visited the Sinpo area where the light-water reactor will be built."

This has been confirmed in the course of tracing Kim Chong-il's activities. However, how long Kim Chong-il stayed in Sinpo and what he did while staying there have not been confirmed.

Kim Chong-il's Sinpo visit is interpreted as reflecting North Korea's will regarding the construction of the light-water reactor.

On 4 June, Kim Chong-il visited areas along the east coast, including army units (the Seventh Corps in Hamhung). With this as the beginning, he visited Mt. Chilbo in North Hamgyong Province on 4 June, Kungangsan Power station in Anbyon (10 June), and the Naval Unit No. 853 (Wonsan, 11 June).

North Korean newspapers and broadcasts reported Kim Chong-il's inspection of army units and the Kungangsan Power Station, but have not reported on his visit to Sinpo.

ROK: UNC Devising Measures To Deal With Possible DPRK Collapse

SK2406065996 Seoul YONHAP in English

0657 GMT 24 Jun 96

[FBIS Transcribed Text] Seoul, June 24 (YONHAP) — The United Nations Command (UNC) is mapping out steps to cope with either a military or a non-military emergency that might ensue if the Pyongyang regime collapses, a senior member of the UNC Military Armistice Commission, Maj. Gen. Yi Sok-pok said Monday.

"It's possible that North Korea will implode or invade the South as a last resort before implosion," Yi said at an advisory council on democratic and peaceful unification

debate on "The Role of the U.S. Forces Korea and the Future of the Peace Regime on the Korean Peninsula."

Gen. Yi said that the UN Command is concerned more about the possibility of North Korea attempting a military action and that the command has been given blanket consent from the U.S. Government and Congress for the strategies it has mapped out to cope with each stage of North Korea's debacle.

In the debate, Paek Chong-chon, a research fellow of the Sejong Institute and Prof. Chon In-yong of Seoul National University called for an early return of the operational command of the South Korean forces from the UN Command in order for South Korea to secure a principle of having problems solved by the parties directly concerned in the issue of a peace regime on the Korean peninsula.

ROK: Kim Yong-sam Encourages Soldiers During Inspection of Front

SK2406070096 Seoul YONHAP in English

0700 GMT 24 Jun 96

[FBIS Transcribed Text] Seoul, June 24 (YONHAP) — President Kim Yong-sam urged military personnel to maintain a vigilant national security posture while inspecting an army unit near the Demilitarized Zone Monday morning.

"The Korean war taught us all that we invite an enemy invasion if we are not completely prepared and capable of defending ourselves," he said while touring the unit one day before the 46th anniversary of the outbreak of the Korean war in 1950.

The chief executive made the remarks at a luncheon with servicemen at a mess hall.

He urged the soldiers to perform their duties with the conviction that the military must defend the country during times of crisis.

Earlier in the day, Kim watched the movement of North Korean troops at an observation post located 1,200 meters South of the Military Demarcation Line. He was accompanied by the chairman of the Joint Chiefs of Staff, Gen. Kim Tong-chin, and the Army Chief of Staff, Gen. Yun Yong-nam.

ROK: Japanese Prime Minister Arrives in Cheju for Summit

SK2206092896 Seoul YONHAP in English

0854 GMT 22 Jun 96

[FBIS Transcribed Text] Cheju, South Korea, June 22 (YONHAP) — Japanese Prime Minister Ryutaro Hashimoto arrived here at 5:20 pm Saturday [22 June]

to have a summit meeting with South Korean President Kim Yong-sam.

Hashimoto was received at the Cheju Airport by South Korean Foreign Minister Kong No-myong and Sin Kumpom, governor of Cheju Province.

President Kim received Hashimoto at the lobby of Hotel Shilla where the Japanese prime minister will stay.

Kim and Hashimoto will have a dinner meeting Saturday evening and summit meeting on Sunday morning.

ROK Spokesman: Japan To Open Consulate General in Cheju 'Soon'

SK2306003196 Seoul YONHAP in English
0024 GMT 23 Jun 96

[FBIS Transcribed Text] Soguiipo, June 23 (YONHAP) — A Japanese consulate general will soon be opened in Cheju Island to provide consular services to Japanese tourists visiting the southern resort island, a presidential spokesman said Saturday [22 June].

"The number of Japanese tourists visiting Cheju Island reaches 160,000 every year and the Japanese Government decided to open its consulate general soon in Cheju Island," Presidential Spokesman Yun Yo-chun quoted Japanese Prime Minister Ryutaro Hashimoto as saying while meeting with President Kim Yong-sam over dinner.

Japan currently maintains its embassy in Seoul, a consulate general in Pusan and a representative office in Cheju.

ROK: Hashimoto, Kim Yong-sam Speak at Banquet
OW2206133896 Tokyo KYODO in English
1333 GMT 22 Jun 96

[FBIS Transcribed Text] Cheju Island, South Korea, June 22 KYODO — South Korean President Kim Yong-sam said Saturday [22 June] he hopes the 2002 World Cup soccer finals which will be co-hosted by South Korea and Japan will help both nations to close the book on their troubled history.

"I hope that we can grasp this opportunity to shake off the fetters of our past history and while looking toward the future build relations of mutual cooperation and development," Kim told a banquet in honor of visiting Japanese Prime Minister Ryutaro Hashimoto.

Kim stressed the importance of keeping friendly relations with Japan, saying, "it is far better to maintain closer relations with a neighbor than a distant relative," a presidential spokesman quoted Kim as saying.

Hashimoto told the banquet he hopes to discuss a broad array of issues in summit talks with Kim on Sunday.

"I hope that we will be able through a frank exchange of views to write a new page in South Korean-Japanese friendship and regional peace and stability," he said.

Relations between Japan and South Korea have been rocky since the end of World War II, haunted by Japan's colonization of the Korean peninsula from 1910 to 1945.

Unresolved postwar issues such as compensation for Korean women forced into sexual slavery for Japanese troops during the war and the tendency of conservative Japanese politicians to play down wartime atrocities have repeatedly refueled anti-Japanese sentiment in South Korea.

The two countries are also locked in a dispute over the ownership of a group of islets in the Sea of Japan, known in Japanese as Takeshima and in Korean as Tokto.

Hashimoto, the first Japanese prime minister to visit South Korea since July 1994, flew into the scenic island of Cheju earlier in the day.

Among those who attended the dinner party included foreign ministers of South Korea and Japan, Kong No-myung and Yukihiko Ikeda, and Japanese envoy to Seoul Shintaro Yamashita and South Korean envoy to Tokyo Kim Tae-zhee.

The two leaders are expected to discuss emergency aid to North Korea, the territorial row and other touchy bilateral issues as well as the upcoming summit of industrial countries in Lyons.

Japanese Foreign Ministry officials have said that the trip aims to improve bilateral ties and build a stronger personal relationship between the two leaders.

The two leaders will hold a joint press conference before Hashimoto's departure for Japan.

President Kim Yong-sam and Hashimoto also agreed that European countries should be more active in an international consortium set up to provide North Korea with modern light-water reactors, Japanese officials said.

Kim said relations among the European countries should serve as a mirror for cooperation for regional cooperation in Asia.

Turning to North Korea, he stressed that the broad nuclear accord that Washington and Pyongyang struck in October 1994 and the reactor project as its spinoff are important for stability on the Korean peninsula.

Under the accord North Korea agreed to freeze its controversial nuclear program in exchange for modern reactors to be built by the Korean Peninsula Energy Devel-

opment Organization (KEDO), a U.S.-led international consortium.

Hashimoto noted the need for a firm implementation of the accord.

In summit talks Sunday the two leaders are expected to discuss emergency aid to North Korea, the territorial row and other touchy bilateral issues as well as the upcoming summit of industrial countries in Lyons.

ROK: Kim, Hashimoto Hold One-on-One Talks 22 Jun

OW2206153396 Tokyo KYODO in English
1523 GMT 22 Jun 96

[By Cho Kyung-wook]

[FBIS Transcribed Text] Cheju Island, South Korea, June 22 KYODO — Prime Minister Ryutaro Hashimoto and South Korean President Kim Yong-sam agreed to promote bilateral exchanges in the fields of sports and traditional culture during their talks on Saturday (22 June), officials said.

The leaders of Japan and South Korea held a separate one-on-one meeting for about an hour after a banquet hosted for the Japanese prime minister to discuss a wide range of issues aimed at establishing future-oriented relations between the two neighbors, they said.

Kim and Hashimoto agreed to deepen mutual understanding between the peoples of the two countries by holding some goodwill sports games. Details of the idea will be worked out at working-level talks.

The South Korean and Japanese leaders also agreed that efforts will be made to promote exchanges in the field of traditional culture rather than mass culture in view of the anti-Japanese sentiment among South Korean people.

The two leaders also expressed concern about China's nuclear testing and agreed that close relations with China are important in making China play a major role in preserving peace and stability in the Asia-Pacific region.

Yonhap News Agency reported that Hashimoto expressed concern that the Democratic Party and the Republican Party in the United States showed some differences in policies on North Korea.

The Japanese prime minister asked Kim to make joint efforts to keep close relations with the U.S. administration and Congress so as not to cause disparity in North Korea policies, the report said.

Touching upon the four-party talks, Kim sought Japan's understanding about why Japan and Russia were excluded from the talks aimed at promoting peace on the

Korean peninsula, saying the talks were proposed with the parties involved in the armistice accord.

President Kim and U.S. President Bill Clinton jointly proposed the talks, involving the two Koreas and China and the United States, to discuss replacing the armistice accord with a permanent peace treaty in April at South Korea's Cheju Island. North Korea has not yet made any response to the proposal.

In a banquet held Saturday in honor of Hashimoto, Kim said he hopes the 2002 World Cup soccer finals which will be co-hosted by South Korea and Japan will help both nations to close the book on their troubled history.

"I hope that we can grasp this opportunity to shake off the fetters of our past history and while looking toward the future build relations of mutual cooperation and development," Kim told a banquet in honor of visiting Japanese Prime Minister Ryutaro Hashimoto.

Kim stressed the importance of keeping friendly relations with Japan, saying, "it is far better to maintain closer relations with a neighbor than a distant relative," a presidential spokesman quoted Kim as saying.

Hashimoto told the banquet he hopes to discuss a broad array of issues in summit talks with Kim on Sunday. "I hope that we will be able through a frank exchange of views to write a new page in South Korean-Japanese friendship and regional peace and stability," he said.

The two leaders are expected to discuss emergency aid to North Korea, the territorial row and other touchy bilateral issues as well as the upcoming summit of industrial countries in Lyons.

Japanese Foreign Ministry officials have said that the trip aims to improve bilateral ties and build a stronger personal relationship between the two leaders.

The two leaders will hold a joint press conference before Hashimoto's departure for Japan.

ROK: Kim, Hashimoto Discuss Cultural Exchanges, PRC Tests

SK2306014596 Seoul YONHAP in English
0133 GMT 23 Jun 96

[FBIS Transcribed Text] Soguipo, South Korea, June 23 (YONHAP) — South Korea and Japan have agreed to increase exchange of sports and traditional cultures to seek future-oriented bilateral relationship, using their scheduled co-hosting of the 2002 World Cup finals as a chance to gather momentum for it, a presidential spokesman said Saturday (22 June).

The agreement was made by President Kim Yong-sam and Japanese Prime Minister Ryutaro Hashimoto late

Saturday evening when they held a one-on-one meeting for about 55 minutes just after Kim hosted a dinner for Hashimoto at the Cheju Shilla Hotel.

The meeting was not originally scheduled but Kim offered to have the *tete-a-tete* and the Japanese premier accepted the offer, Spokesman Yun Yo-chun said.

The two leaders shared the view, during the meeting, that frequent exchange of small-scale volleyball, hockey, and basketball teams will be more desirable considering the fact that the result of the games of soccer and other large-scale sports can easily hurt national sentiments of the peoples of the two countries, the spokesman said.

They agreed to put priority on exchanges of sporting events which can promote mutual understanding and friendship.

The two leaders also agreed that they put emphasis on exchange of traditional cultures rather than on exchange of mass cultures which they feared could face resistance from the people of the other country.

To the end, the two countries are likely to push ahead with a plan for exchange of troupes performing traditional cultural arts.

Kim and Hashimoto meanwhile expressed concern over China's continuing nuclear tests, sharing the view that it is necessary for their countries to maintain constructive relations with China so China could contribute to peace and stability in Northeast Asia, according to Yun.

Hashimoto, on his part, expressed concern that the Democrats and Republicans of the United States differ on the North Korean policy.

Kim and Hashimoto agreed on the need for them to maintain close relations with both parties of the United States as well as the Clinton administration to persuade the differing parties to narrow their differences over the North Korean issue.

Hashimoto supported the four-party meeting proposed by Kim and Clinton and hoped the meeting will be successfully held.

The Japanese prime minister was responding to Kim explaining that the four-party meeting aims to include only the four directly-involved parties to the 1953 Korean armistice treaty.

Hashimoto expressed deep concern over the move by U.S. Congress to cut budget for the Korean Peninsula Energy Development Organization (KEDO).

The two leaders agreed that they will hold frequent working summit meetings at such resorts or ancient

cities of Kyongju and Cheju of Korea or Kyoto of Japan to pursue future-oriented bilateral relationship.

ROK: Kong Urges Ikeda To Take Steps Agreeable to 'Comfort Women'

SK2306063796 Seoul YONHAP in English
0634 GMT 23 Jun 96

[FBIS Transcribed Text] Soguipo, June 23 (YONHAP) — Foreign Minister Kong No-myong Sunday urged Japan to come up with measures which can be accepted by the comfort women and their supporters who call on the Japanese Government to assume legal responsibility for the comfort women and pay compensation.

Kong made the remarks while having a meeting with his Japanese counterpart Yukihiko Ikeda on the sidelines of the summit meeting between President Kim Yong-sam and Japanese Prime Minister Ryutaro Hashimoto in the southern resort island of Cheju.

Ikeda responded by saying that "The Japanese Government is funding medical and welfare programs of the civilian fund (with the aim of providing consolation money to the former comfort women), although the compensation money is being paid in the form of a civilian fund."

The Japanese foreign minister also asked for understanding on the part of those Koreans involved in the comfort women issue, noting that the Japanese Government plans to deliver a letter of apology from Prime Minister Ryutaro Hashimoto to the former comfort women while delivering the consolation money.

The two foreign ministers shared the view that it is desirable for the two countries to pursue joint research of history to promote understanding of each other.

To the end, they agreed to launch a joint history study group among scholars of the two countries as soon as possible.

"Two or three prominent scholars will soon be nominated from each side of the countries so they could discuss the name of the study group, how to staff the group and how to operate the group," an official said.

The issue of whether to allow the achievements of the study group reflected in the history textbooks of the two countries, however, will be discussed later at an opportune time, he said.

The two ministers also agreed on the need for early opening of talks for signing of agreements to set the boundaries of the exclusive economic zones (EEZs) under the United Nations Convention on the Law of the Sea which guarantees 200-nautical-mile EEZ for each of the member countries.

The two, however, differed on the issue of whether Seoul and Tokyo will have to expedite revision of the existing bilateral fishery agreement.

Japan wants to open the fisheries talks as soon as possible while South Korea insists that such talks should go hand in hand with similar negotiations with China to form a new fishing order in Northeast Asia.

ROK: Kim Yong-sam Speaks at Joint News Conference

SK2306043896 Seoul KBS-1 Television Network
in Korean 0111 GMT 23 Jun 96

[Opening statement by ROK President Kim Yong-sam at the joint news conference conducted by President Kim and Japanese Prime Minister Ryutaro Hashimoto with domestic and foreign reporters at the Shilla Hotel on Cheju Island — live, in Korean with passage-by-passage translation into Japanese; translated from the Korean]

[FBIS Translated Text] In the wake of Prime Minister Hashimoto's first visit to the ROK since assuming office, we, the two summit leaders, swapped frank views on a wide range of issues of mutual concern at yesterday's banquet, today's breakfast meeting, and the summit talks which just ended.

Prime Minister Hashimoto and I found common ground in that the decision on co-hosting the 2002 World Cup Soccer games by the ROK and Japan would be extremely beneficial for developing bilateral relations. To that end, we agreed to actively cooperate with each other to turn the 2002 World Cup Soccer into the most successful games in history.

We expect that the friendship between the two peoples of the two countries will further deepen with the successful holding of the first World Cup Soccer games in Asia by the joint work of the two countries' relevant officials. For this, we agreed to maintain close contacts between the two governments of the ROK and Japan.

We, the two summit leaders, also exchanged views on North Korea's recent situation and shared the view that the role of Japan, a neighboring country, is important for peace and stability on the Korean peninsula. We agreed to closely cooperate with each other to see that North Korea answers the proposal for four-way talks at the earliest possible date and engages in consultations for establishing a permanent peace system on the Korean peninsula.

Also sharing a common understanding that the tripartite cooperative system between the ROK, the United States, and Japan, which has been adhered to to resolve the North Korean nuclear issue, is essential for peace

and stability on the Korean peninsula, Prime Minister Hashimoto and I agreed to further strengthen it.

The two summit leaders also shared the view that it is desirable to further activate and deepen research into the history of each other's country as well as the history of our bilateral relations in order to enhance the mutual understanding of the our countries. We also shared the view that it is necessary to form a conference of private-level intellectuals in an effort to assist and encourage such research.

Prime Minister Hashimoto and I reaffirmed the importance of exchanging juveniles, who are the heroes of the next generation, and agreed to review the establishment of a consultative body by working officials to further expand the exchange of students and workers.

Sharing the view that further developing economic relations between the two countries is important as we reach the threshold of the 21st Century, we, the two summit leaders, also found common ground that the two countries should continuously work to facilitate mutual concern by expediting investment and cooperating in the transfer of industrial technology.

Taking into account the importance of the cooperation between the two countries within international organizations—such as the United Nations, the Asia-Pacific Economic Cooperation, the Asia-Europe Meeting, and the World Trade Organizations—Prime Minister Hashimoto and I agreed to further increase cooperation in these international organizations.

We agreed to work in cooperation to realize an active summit diplomacy, sharing the view that it is good for the summit leaders of the two close neighboring countries to meet as often as possible to exchange frank views.

Thank you.

ROK: Ryutaro Hashimoto Speaks at Joint News Conference

SK2306051096 Seoul KBS-1 Television Network
in Korean 0120 GMT 23 Jun 96

[Opening statement by Japanese Prime Minister Ryutaro Hashimoto at the joint news conference conducted by Prime Minister Hashimoto and ROK President Kim Yong-sam with domestic and foreign reporters at the Shilla Hotel on Cheju Island — live, in Japanese with passage-by-passage translation into Korean; translated from the Korean]

[FBIS Translated Text] I will now give an opening speech.

I have come to Cheju Island upon President Kim Yong-sam's invitation. I am happy that I was able to meet with President Kim and exchange frank and extensive opinions amid a comfortable atmosphere. I would also like to thank the Korean people, including the president, for their warm hospitality.

First, through the decision on the ROK and Japan jointly hosting the World Cup, both sides agreed that related officials will further cooperate with each other for the success of the World Cup so that friendly and cooperative relations will be all the more intensified. I believe this is very reassuring.

Regarding the conclusion of the United Nations' sea law treaty, President Kim and I reconfirmed the contents of the agreed upon matters at the last summit, and in accordance with this agreement, it was agreed that apart from the issue of dominium, the boundaries of the exclusive economic zone will be determined and we will promote negotiations for a fisheries agreement. At the same time, both sides agreed to make efforts to create an environment that will promote negotiations on carrying out fishing activities so that they can be conducted in an orderly manner.

President Kim and I exchanged significant views on the overall international situation. It was reconfirmed that the friendly and cooperative relations between our two countries is not only important for security and prosperity in the Asia and Pacific region, but is equally important for the entire international society.

We exchanged unreserved opinions regarding the situation in Northeast Asia centering around the situation on North Korea. It was reconfirmed that for peace and security in this region, close cooperation among the three countries—the ROK, Japan, and the United States—is important in the future.

In conclusion, I had proposed that President Kim visit Japan at an appropriate time for both of us, and President Kim willingly agreed. I will continue to exchange unreserved opinions with President Kim with a light heart so that friendly and cooperative relations rooted in mutual trust can be established. At a time when the 21st century is right around the corner, I sincerely hope that the people of both countries will all the more deepen their mutual understanding, hold hands together, and open the future.

Thank you.

ROK, Japanese Prime Ministers Questioned at News Conference

SK2306101496 Seoul KBS-1 Television Network
in Korean 0127 GMT 23 Jun 96

[News conference by ROK President Kim Yong-sam and Japanese Prime Minister Ryutaro Hashimoto with foreign and domestic reporters following the statements made at Shilla Hotel on Cheju Island — live; in Japanese with passage-by-passage translations into Korean; translated from the Korean]

[FBIS Translated Text] [Cho Pong-hwan] I am reporter Cho Pong-hwan of YONHAP Television Network [YTN]. First of all, I would like to ask Prime Minister Hashimoto a question. For the ROK and Japan to establish true neighborly relations and a future-oriented partnership, there must be a correct recognition and self-examination of the past by Japan. This sentiment is shared by most of the Korean people. What is your view on this matter? Second, the Tokto Island issue and the comfort women issue, which are delicate issues between the ROK and Japan, including the issue of the past, have not yet been resolved. Were these issues discussed in today's summit talks? And if so, how much agreement was reached?

[Ryutaro Hashimoto] First of all, His Excellency President Kim has talked about the content of the summit talks and I have also talked about them.

In 1965, the year when the ROK-Japan treaty was concluded, I visited the ROK for the first time as head of a Japanese student delegation — under the support of Sato, president of the Japanese Liberal Democratic Party — to hold dialogue with ROK students.

During my visit, a person introduced me to His Excellency President Kim Yong-sam, who was at that time an opposition party member, and I was able to meet him. Since that time a long time has passed, but I still vividly remember that time.

I was only in the second grade in elementary school when we were defeated in the war, but I was able to directly see in reality the unhappy historical events that I hadn't learned about in school. For example, I did not learn at all in school about how Koreans were forced to change their names into Japanese style names. It is unimaginable how much the Korean people must have suffered over this matter.

Since my inauguration as prime minister, I have repeatedly told you that we cannot escape the burden of the past and our responsibility for the future.

Shouldering the burden of the past, we are going to fulfill a dream for the future with our joint sponsorship of the World Cup as a catalyst.

President Kim has mentioned the issue of comfort women who served Japanese soldiers during the war. I think nothing else has ever hurt women's honor and esteem greater than this. I offer a heartfelt apology and self-reflection. [chigum chonggun wianbu munjee taehaeso ongubul hasyossumnidamanun, chonun imunjemankum yosongui myongyewa chonome sangchorul chunirun opasottago saenggak hamnida, kurigo mau-murobutoui sagwawa pansongui malssumul turigessumnida]

[Ichiro Ue] I am Ue of YOMIURI SHIMBUN. I have some questions for President Kim. It appears that during the summit meeting, the two presidents discussed new Japan-ROK relations in various fields from a future-oriented viewpoint. One of the pending issues affecting future friendly relations between Japan and the ROK is a visit by the Japanese emperor to the ROK. As I understand, you have been interested in this issue since you were inaugurated as President. First, what is your basic opinion on this matter, and what measures are you going to implement concerning it? Second, is it possible to settle this matter before the end of your term of office? If there is an obstacle at present, please explain what it is.

[Kim Yong-sam] A visit by the Japanese emperor to the ROK was not discussed during the summit talks. However, a visit by him to the ROK would be of great symbolic significance, serving as a catalyst for confirming afresh the friendly relations between the two countries. Accordingly, I think it is most important for the emperor to visit the ROK in an atmosphere in which the people of both countries welcome his ROK visit. Both the ROK and Japan should make efforts to create such an atmosphere. I think whether the emperor's ROK visit will be realized earlier or later depends on the efforts of the people of the two countries.

[Miyao Okoshi] I am NHK reporter Okoshi. I want to ask Prime Minister Hashimoto a question. We assume that an analysis of the North Korean situation must have been a major subject of the summit talks. Please first answer the question of whether the two leaders came to have a new and improved awareness of North Korea in today's summit talks. The next question is this: Specifically, Prime Minister Hashimoto, how will you convey today's success in the discussions at the Rio summit, which you will be attending.

[Hashimoto] During the summit talks, the two of us exchanged views from various angles on the situation in Northeast Asia, centering on the North Korean situation,

and reaffirmed our view that close ties between Japan, the ROK, and the United States — adding the United States to the close ties between Japan and the ROK — are important now and in the future for peace and stability in this region. At the same time, as to the four-way talks proposal announced on Cheju Island by President Kim and U.S. President Clinton, I issued a statement supporting the proposal immediately after its announcement, and this position remains unchanged.

As to the four-way talks proposal, North Korea has not yet given an affirmative response to it. The two of us agreed to cooperate closely for the realization of the four-way talks at an early date.

As for the Rio summit, as a matter of course I think the situation on the Korean Peninsula, as well as the issues of the Middle East, Bosnia, and others, will be discussed at the summit.

I wish to exchange candid views with the leaders of the participating countries, taking into account the views exchanged frankly between me and President Kim, and the basic awareness based on such views. At the same time, I wish to take as much advantage as possible of the opportunity, and intend to request the participating countries to cooperate further with the Korean Peninsular Energy Development Organization [KEDO].

[Chon Si-yong] I am a KOREA HERALD reporter. I would like to ask President Kim about the North Korean issue. Whereas Prime Minister Hashimoto mentioned the joint cooperative system between the ROK and Japan for the realization of the four-way talks on the Korean Peninsula, please tell us the views, if any, you exchanged concerning the Japanese Government's specific role and efforts in getting North Korea to accede to the four-way talks. Please also tell us whether the two governments of the ROK and Japan coordinated their views concerning improving relations between Japan and North Korea, negotiations for the establishment of diplomatic relations between them, and food aid to North Korea by the ROK and Japanese Governments.

[Kim] Prime Minister Hashimoto publicly announced his support for the four-way talks proposal immediately after U.S. President Clinton and I made the proposal on 16 April on this Cheju Island. In the summit talks we had today, the prime minister reconfirmed his support for the four-way talks proposal and promised cooperation for realization of the talks. The Japanese role is very important for peace and stability on the Korean Peninsula. The ROK will maintain close consultations with Japan on its policies toward North Korea, doing so within the framework of ROK-U.S.-Japan cooperation. Prime Minister Hashimoto promised that the Japanese

Government will closely consult with the ROK Government on its policy toward the North.

ROK: YONHAP Reports on Kim-Hashimoto Summit Agreements

SK2306023696 Seoul YONHAP in English
0222 GMT 23 Jun 96

[FBIS Transcribed Text] Soguipo, South Korea, June 23 (YONHAP) — Following are the itemized summaries of discussions at the summit meeting between President Kim Yong-sam and Japanese Prime Minister Ryutaro Hashimoto Sunday.

— North Korean Issue:

Peace and stability on the Korean peninsula is vital for peace and stability in Northeast Asia. Japan's role in securing peace and stability on the Korean peninsula is important. South Korea and Japan will cope with the food crisis in North Korea based on the notion that the food shortage in the North results from the systematic backwardness in the agricultural field.

— Four-Party Meeting:

South Korea stressed that the four-party meeting be held immediately for establishment of a permanent peace regime on the Korean peninsula. South Korea also thanked Japan for its announcement supporting the meeting. Hashimoto reiterated Japan's support for the four-party meeting proposal. Japan can play an important role in securing peace and stability on the Korean peninsula. In that sense, South Korea and Japan will closely cooperate with the United States to solve the North Korean nuclear issue.

— Relations Between North Korea and Japan:

Japan reaffirmed that it will closely consult with South Korea on its North Korean policy.

— Regional Political Situation:

Both countries agreed that they will make efforts to develop policies which can help contribute to peace and stability in Northeast Asia.

— Co-Hosting of World Cup and Korea-Japan Relations:

Both countries agreed to maintain close connection with the aim of jointly hosting the 2002 World Cup successfully. Both countries will take advantage of the 2002 World Cup event to break away from the yoke of the unhappy past history and seek future-oriented, cooperative relations looking toward the 21st century.

— Activation of Bilateral Exchanges:

Both countries agreed that it is important to accumulate mutual understanding and confidence through exchange of juveniles to establish future-oriented bilateral relationship. Both governments will consider establishing a consultative body participated by students and laborers. They agreed to increase the number of juvenile exchange up to 10,000 annually by the year 2000 from the current 4,500.

— Exchanges in Sports and Traditional Culture:

The governments of the two countries will activate exchanges in the fields of sports and traditional culture with a view to promoting understanding, friendship and goodwill between their peoples.

— Joint Study of History:

It is desirable for the two countries to push for active joint research into the history of the other country and the history of bilateral relations for the enhancement of mutual understanding. It is necessary to form a conference of private-level intellectuals in an effort to assist and encourage such joint research activities.

— EEZ and Fisheries Accord:

The two governments will facilitate bilateral contacts to determine the boundaries of the exclusive economic zone (EEZ) on the basis of the outcome of the consultations they had at the time of a bilateral summit in Bangkok last March. Regarding an amendment to the fisheries accord, Kim took note of the need to have a fishing order to be commonly shared by Korea, Japan and China. He stressed that the amendment should be made in a fashion that does not bring a drastic change to the existing bilateral relations in the fisheries field.

— G-7 Summit:

Hashimoto promised to explain the outcome of the Group of Seven summit to the Korean Government through an appropriate channel. Kim asked him to speak in support of Asian countries' positions as he is the only Asian participant in the summit.

— Invitation of Kim to Japan:

Hashimoto invited Kim to visit Japan and the latter accepted it, suggesting that details be discussed through diplomatic channels in the days to come. They agreed that it is good for the summit leaders of the two neighboring countries to meet as often as possible for a frank exchange of views.

**ROK: Plans To Implement Kim-Hashimoto
Summit Accords Noted**

SK2406055196 Seoul YONHAP in English
0536 GMT 24 Jun 96

[FBIS Transcribed Text] Seoul, June 24 (YONHAP) — South Korea will map out at an earliest possible date plans to implement agreements reached at Sunday's [24 June] summit between President Kim Yong-sam and Japanese Prime Minister Ryutaro Hashimoto for negotiations with Japan.

The plans will cover the formation of a working-level channel to discuss a World Cup liaison system, the exchange of youths, the promotion of sports and cultural exchange programs and the proposed joint study of historical relations between the two countries, an official said Monday.

The government has already begun sounding out Japan about organizing a government-level "Joint World Cup Committee" with regard to the issue of setting up a liaison system, he added.

The two governments agreed on the need to set up an inter-governmental cooperation body to successfully co-organize the 2002 World Cup, which requires working-level talks between the two sides and FIFA [Federation of International Football Association], soccer's world governing body, he explained.

Tokyo is reportedly passive toward Seoul's offer to form a joint government-level world cup committee, saying that the event's organization is primarily a job for a private-level organizing committee or the football associations of the two countries.

On the proposed youth exchange program, the government is considering setting up a related office exclusively dealing with such a program, with a view to expanding study exchanges between secondary-school and college students of the two nations, he said.

For sports-cultural exchanges, the government is contemplating the resumption of annual Korea-Japan soccer games that have been suspended for several years. Plans to promote cultural exchange programs on a step-by-step basis in view of the cultural heterogeneity between the two countries are also being studied.

As for the joint study of historical relations between the two countries, the government will shortly begin discussions with Japan so that a joint study group can hold an inaugural meeting within the year, he said.

**ROK Dailies View ROK-Japan Summit on Cheju
SK2406091596**

[FBIS Report] The following is a compilation of editorials carried in Seoul vernacular newspapers on 24 June regarding the ROK-Japan summit held on Cheju Island on 22-23 June.

The conservative CHOSON ILBO publishes on page 3 a 1,100-word editorial entitled "'Open Collar' Summit." Describing the open collar summit between ROK President Kim Yong-sam and Japanese Prime Minister Ryutaro Hashimoto as "the symbol of efforts to eliminate differences between the two countries," the editorial notes that this summit can be accepted as "a product of the international atmosphere encouraging an ROK-Japan partnership." However, despite the fact that the summit was held in such an amicable atmosphere, the editorial expresses doubt as to how long this atmosphere will last, noting mutual relations failed to make remarkable progress. Concerning the "comfort women" issue, Japanese Prime Minister expressed "apology and self-examination" for the first time as prime minister. Nevertheless, Japan evaded its responsibility during the foreign ministers' talks, leaving a possibility of a worsening overall atmosphere when mutual relations come to acute discord. Recalling that the "amicable" and "forward-looking" atmosphere created during the past two summits did not last long, the editorial points out that all this was attributable to "a lack of sincerity on the Japanese side," noting that the current Cheju summit may possibly follow in the footsteps of the past. The editorial comments that the summit did not sincerely deal with other pending issues in a bid to "heighten the atmosphere for co-hosting the World Cup." It calls on the Japanese side to pay special attention to solving difficult problems between the ROK and Japan, including the comfort women issue, the Exclusive Economic Zone, the fishery agreement, and the trade deficit.

The moderate TONG-A ILBO carries on page 3 a 900-word editorial under the headline, "We Pay Attention to 'Apology and Self-Examination'." Pointing to the agreement between the two top leaders of the ROK and Japan to strengthen friendship and cooperation in order to successfully co-host the 2002 World Cup, the editorial pays attention to the "apology and self-examination" expressed by the "rightist prime minister," who belongs to Japan's post-war generation. It notes his future acts will prove whether his remarks were made according to a keen awareness of historic essence or if they were merely a matter of formality. The editorial says that the summit agenda was limited only to "the future," leaving pending political problems to foreign ministerial talks without any fruition. The editorial urges

Japanese leaders to realize that "the future dream" cannot be achieved without a liquidation of the past, and warns them not to return ROK-Japan relations to the starting point by repeating "absurd remarks" of the past.

The moderate HANGUK ILBO carries on page 3 a 1,000-word editorial entitled "ROK and Japan Entering the Era of 'World Cup Cooperation'." The editorial writes that "the words 'agreed' and 'shared the views' explain the characteristic nature and success of the summit," and describe the summit as having provided a milestone for forward-looking relations between the two countries. Stating that because delicate issues were evaded at the talks, the summit could pledge mutual cooperation and understanding for all other issues, the editorial writes that the creation of such a friendly atmosphere is very fortunate for the future of the two nations. However, it points out that assuming a forward-looking position by freeing oneself from the yoke of the past does not mean "disregarding or ignoring the past."

The moderate KYONGHYANG SINMUN publishes on page 3 a 1,100-word editorial under the headline, "Japan and Tasks After the Cheju Summit." Defining the current Cheju summit as being at "the same level" seen in the past, the editorial stresses that although the remarks made by Japanese prime minister can be regarded as sincere for the moment, they are not sufficient to "check absurd remarks made by Japanese extreme rightists that hurt the ROK people's pride." It opines that the creation of a genuine friendship would be possible not through a political pledge, but through mutual trust.

The moderate CHUNGANG ILBO carries on page 3 a 1,000-word editorial entitled "The Start of Forward-Looking ROK-Japan Relations." The editorial points out that despite the fact that the summit is at the same level in the past, it has a few aspects that should be considered important. First, the summit worked as an occasion for refreshing the ROK-Japan atmosphere that remained uncomfortable due to some Japanese politicians' remarks on Japan's past and Tokto Island. A second important aspect is the two leaders' expression of a strong will for

developing forward-looking relations. The agreement on expanding sports and cultural exchanges is also to be lauded as the will to overcome the past. The editorial notes that the co-hosting of the World Cup will be a springboard for developing relations between the two countries to a higher stage, and urges the two nations to make the current summit the starting point for new ROK-Japan relations.

The left-leaning HANGYORE SINMUN publishes on page 3 a 1,100-word editorial entitled "Japanese Prime Minister's Insufficient Awareness of the Past." The editorial states that the remarks of Japanese Prime Minister Hashimoto about the ROK and the past were "far less than our expectations" and that he used only ambiguous expression in an attempt to evade the crux of the question. The editorial also points out that during the foreign ministers' talks, the Japanese side has not shown its attitude to accept the demands by relevant organizations and those concerned with the comfort women issue. The editorial urges Japan to make real efforts to liquidate its past crimes from the standpoint of sincerely repenting its past erroneous acts.

ROK: 'Sick Cows' Being Slaughtered, Distributed Throughout ROK

SK2206234196 (Internet) The Joong-Ang Ilbo WWW in English 23 Jun 96

[FBIS Transcribed Text] It was found that sick cows are being slaughtered and/or already dead cows distributed not only in Seoul but also in the provinces.

The Seoul prosecution currently investigating the trafficking of 'sick cow' case confirmed Saturday [22 June] that a total of 14 middle men were engaged in the undercover transaction of dead or sick cows near the Majang Slaughter House in Seoul. Prosecutors, who took eight of the middlemen into custody and conducted an overnight investigation, decided to expand the investigation nation-wide.

It was also revealed that the current inspection system for slaughter houses has many defects and that systemic improvement is urgently called for.

Burma

Burma: 'Opinion' Brands U.S. Diplomatic Mission 'Failure'

BK2206105896 (Internet) *BurmaNet News in English*
20 Jun 96

[Unattributed "Opinion" posted by Euro-Burmanet:
"The Failure of the Brown-Roth Mission"]

[FBIS Transcribed Text] The Clinton backed Brown-Roth fact-finding mission appears now to have been more of a diplomatic effort to assure ASEAN solidarity behind the "constructive engagement" plan in direct talks with the ASEAN authorities while sending two vital messages home to Rangoon, and to Washington. Brown and Roth have indicated that the White House will not push for sanctions, as long as Daw Aung San Suu Kyi is not arrested. Therefore, SLORC [State Law and Order Restoration Council] has been cautioned to ease its repressive actions of the May and June crackdown, while prisoners of the NLD [National League for Democracy] remain in jail. For SLORC, the message from the US diplomatic mission is clear — Business as usual.

Brown has not talked to rebel groups, nor evidently has he read the SAIN/ERI [expansion unknown] report Total Denial, nor the report released Monday [17 June] by the Karen National Union (KNU), which has been fighting the Burmese government for autonomy for the ethnic Karen people since 1948.

William Brown, a former U.S. ambassador to Thailand, touring Asia at the behest of President Clinton to try to forge consensus among nations on how to get a dialogue going between the Burmese military government and democracy advocates led by Aung San Suu Kyi, said in a news conference in Bangkok Saturday, that one positive development in Burma has been that "the use of forced labor in the economy, and particularly in projects that involve American firms, has been significantly addressed."

Brown added that as the Burmese military has gained control of ethnic areas, 'the issue of forced labor for portage diminished.'

All evidence by the NLD, the KNU and other rebel groups indicates that the contrary is true. It is a dangerous omen, indeed, and a tragic sign of approval at this time, in a spirit of compromise by the US government of the gross atrocities committed by SLORC and their partners TOTAL, UNOCAL, ARCO, PEPSICO and other investors, and should be left unchecked by reason and ignorance or denial. Much worse, we see the White House backing itself into a corner by recognizing still further the illegal SLORC junta in its effort to gain its

cooperation, thus playing further into SLORC's bloody hands at the cost of the life of SLORC's tragic victims — the Burmese people.

It appears that the prejudiced mindset of Ambassador Brown had already been set before the mission left Washington. It remains to be seen what Stanley Roth, coming out of the National Security Agency meetings, will say on the subject of progress towards democratic reform, a release of all political prisoners, and recognition of the NLD as the only legitimate authority in the country.

Burma: Pro-SLORC Mass Rally Held in Sandoway on 6 June

BK2106095496 *Rangoon TV Myanmar Network*
in Burmese 1330 GMT 20 Jun 96

[FBIS Summary] A mass rally attended by over 30,000 people was held in Sandoway in Rakhine State on 6 June "to express support for national endeavors and to denounce destructionist elements."

Addressing the rally, U Tin Win, headmaster of the Sandoway Technical High School, praised the unprecedented progress in the country under the State Law and Order Restoration Council [SLORC] and its endeavors for emergence of a modern, peaceful, and developed nation according to its set 12 objectives. He noted the achievement in national reconsolidation, citing cooperation between the government and 15 former indigenous armed groups in regional development. He warned the people "to be constantly aware of the existence of destructive elements, who are envious of efforts of the SLORC for establishing a peaceful, modern and developed nation" and he called upon the people to repulse and remove these elements. He said "these destructive elements are undermining national stability, attempting to create unrest and disturbances, and hampering national progress." He said "these minions who rely on foreign powers and who destroy the race are destructive elements" and he called on the people to express support for the national endeavors of the SLORC and to denounce all destructive elements.

After the motions to express support for the national construction efforts of the SLORC and to denounce destructive elements were presented, seconded, and endorsed by the speakers at the rally, the rally ended with shouting of slogans.

Burma: Mass Rally To 'Denounce' Opposition Held in Toungoo

BK2206091096 Rangoon TV Myanmar Network in Burmese 1330 GMT 21 Jun 96

[FBIS Summary] The television carries a 15-minute report on a mass rally held in Toungoo on the morning of 6 June to support the State Law and Order Restoration Council's (SLORC) national constructive endeavors and to denounce "destructionists." The rally was attended by more than 43,000 people.

The report says U Aung Kyi, owner of the Sein Myanmar Guest House, chaired the rally and delivered an address. In his address, U Aung Kyi noted Burma's background, the foreign interference and appalling situation during the disturbance in 1988, the formation of the SLORC and its resumption of state responsibilities, and the SLORC's undertakings to develop the country. He then added that the internal "minions" are "national traitors" and are working for the "foreign neocolonialists" and for their self-interests. He said that these minions are relying on foreign elements for their vested interests and to "gain power" and are sacrificing the lives of the people. All of them must be "attacked and destroyed." In conclusion, he urged the people to support the SLORC's national constructive endeavors and to denounce those who are hampering and destroying state and national affairs by regarding them as the "common enemy."

The report says that, following U Aung Kyi's address, U Thein Tun of the No. 16 Ward in Toungoo Township proposed a motion to support the SLORC's national constructive endeavors and to denounce "all destructionists" who are opposing and destroying the progress of the state. The motion was endorsed by Daw Naw El Wel, a retired headmistress of a primary school from the No. 20 Ward in Toungoo Township and by the people attending the rally. The mass rally concluded with the chanting of slogans.

Burma: Rally To Support SLORC Efforts Held in Myaungmya

BK2306131696 Rangoon TV Myanmar Network in Burmese 1330 GMT 22 Jun 96

[FBIS Translated Summary] The television carries a 24-minute recorded report on a mass rally held at the Myoma Sports Grounds in Myaungmya on the morning of 7 June to support the State Law and Order Restoration Council's (SLORC) national constructive endeavors and to denounce "destructionists." The rally was attended by about 38,000 people from Myaungmya, Einme, Wakema, Moulmeingyun, and Laputta Townships.

The reports says U Maung Maung, headmaster of the Seintha Village High School in Myaungmya Township, chaired the rally and delivered an address. In his address, U Maung Maung noted the "appalling situation" during the 1988 disturbance; the emergence of the SLORC, which is the Defense Service government; the SLORC's efforts to restore the stability of the state, community peace and tranquility, and the prevalence of law and order; the implementation of regional development programs; and Burma's friendly relationship and cooperation with other countries, especially neighboring and ASEAN nations, which is based on the Five Principles of Peaceful Coexistence.

He adds: "But the groups of masters in the West are preventing the countries that have friendly and respectful relations with our country from dealing with our country. They do not want friendship and unity among the Southeast Asian nations. Is this the conduct of people from large democratic nations? It is necessary for you to understand that this is the behavior of wicked, degraded, and narrow-minded people."

He then explains SLORC's endeavors to implement its political, economic, and social objectives. He says: "Today in our country there are national traitors who are under the influence of the neocolonialists. There are those who crave power and have no regard for the people and the country, and there are also minions who are disturbing and destroying community peace and tranquility and the prevalence of law and order in various ways. This destructive group that is instigated by foreign elements overlook dignity but desire an undesirable goal. This group is bent on destroying the peace and stability of the state."

In conclusion, he urges the people to express their support for the SLORC's national constructive endeavors and to denounce internal and external "destructionists".

The report says that, following U Maung Maung's address, Daw San San Aye, a teacher of the No. 6 Basic Education High School in Myaungmya, proposed a motion to support the SLORC's national constructive endeavors and to denounce "destructionists". The motion was endorsed by U San Myint, a teacher of the No. 5 Basic Education High School in Myaungmya, and by the people attending the rally. The mass rally concluded with the chanting of slogans.

Burma: Maung Aye on 'Destructionists,' Pro-SLORC Rallies

BK2106163196 Rangoon TV Myanmar Network in Burmese 1330 GMT 21 Jun 96

[FBIS Translated Excerpt] General Maung Aye, State Law and Order Restoration Council (SLORC) vice

chairman, Defense Services deputy commander-in-chief, and Army commander-in-chief, delivered an address to the commissioned and non-commissioned Defense Services personnel from the Southern Military Command and Toungoo Cantonment and their family members at the Southern Military Command's Ketuwadi Hall at 0820 yesterday.

In his address he said: For the emergence of a peaceful, tranquil, modern, and developed nation, the state government has laid down four political objectives, four economic objectives, and four social objectives. It has been implementing these tasks correctly. Traditionally it is the firm, strong, and unified Defense Services that uphold the three national causes. This is why Defense Services personnel and family members have to participate in an appropriate place and strive for the successful implementation of the 12 objectives.

We are now engaged in a revolution and that is why we cannot implement our objectives in a normal way. We need to implement them with full force. We have to increase the momentum that has been achieved to develop the country. At this moment, there are destructionists who are working to destabilize and disintegrate the country. That is why you must have revolutionary awareness. We cannot allow the recurrence of the 1988 disturbances in our country. These people are supporting the Defense Services' national constructive development works and tumultuously denouncing the destructionists.

In accordance with the good traditions of the Defense Services, the Defense Services will stand by the people and their interests. The strengthened economy and stability of the country, and strong Defense Services are necessary to develop the country. It would be impossible to develop a socioeconomic sector if the country is unstable. Some groups that are envious of our successful, progressive, peaceful, and tranquil conditions, are working to destroy these conditions, but they have no strength inside the country. They rely on the foreign press and radio stations to disseminate and air false reports.

The development works are gaining momentum all over the country because our goodwill, objectives, and implementation works are genuine and correct. There are certain people who, at public entertainment shows, create disturbances in order to free up a space in order to put their mat on the ground. The house will be secure only if the fence around the house is strong. The Army, Navy, and Air Force, therefore, must have great capability and must be firm and strong so as to secure and control the state's boundary. To have capable Defense Services, it is necessary to implement

the four functions of the building of units. Proper welfare for the Defense Services personnel and their family members will be implemented. He explained in detail the successful work on the agriculture, livestock breeding, and production sectors.

After his address, he greeted the Defense Services personnel and their family members. [passage omitted on inspection tour]

Burma: Commission Accepts Resignation of NLD MP From Wuntho

BK2106145396 Rangoon Radio Myanmar in Burmese 1330 GMT 21 Jun 96

[FBIS Translated Text] U Aung Khin of the National League for Democracy (NLD), who was elected a People's Assembly representative in the Wuntho Township Constituency, Sagaing Division, has submitted his resignation of his own free will to withdraw as an elected representative. The Multiparty Democratic General Election Commission has accepted his resignation in accordance with Section 11, Subsection E of the People's Assembly Election Law.

Burma: Article Discusses Need for Dialogue

BK2106125096 Rangoon MYANMAR ALIN in Burmese 19, 20 Jun 96

[Article in two installments by Pe Kan Kaung: "Not Sure Whether To Believe It or Not"]

[FBIS Translated Excerpt]

[19 June p 3]

It is clear that they underestimate the general public. Their words, whether whispered or aloud, are proof of this. They make vacuous and unguided criticism and remarks filled with insinuation and ridicule to test the waters.

Well, Pe Kan Kaung would like to declare openly that the general public now is not like the general public of 1988. During the course of seven years, the general public has learned much and become familiar with fair democratic principles. They may or may not believe this. If they do not, let me present my discussion on the matter.

In the current international post-Cold War political scene, a culture of dialogue has emerged. This is interpreted by political scientists as strengthening liberal political thought. They believe that this liberal political thought is based on basic social and moral principles. Liberal political thought defines politics in a progressive tone: "Politics is the art of negotiation between opposing

interests without resorting to the use of force." It is also believed that effective negotiation is possible through democratic procedures.

Unilateral action is sufficient to target an individual or organization to find fault. Unilateral action alone, however, cannot build genuine progress based on goodwill. It takes both sides; it is necessary for the two sides to recognize the need for each other. This is liberal political thought. Relations are important at this juncture and communication is essential to conduct relations.

The SLORC [State Law and Order Restoration Council] has paved the way for national reconciliation [preceding two words in English], but how can improved communications be established with those who are confused and fearful?

The 15 indigenous armed organizations that are working hand in hand with the SLORC government for the development of their respective regions and the peace and prosperity of the entire union after returning to the legal fold are not observing a temporary cease-fire. They have joined forces out of their own volition and inherent desire, with mutual trust and guarantees, in the interest of the entire union.

The government and the 45 million people of Pe Kan Kaung's country aspire for a modern, developed, and peaceful nation. While efforts are being made on all fronts to realize this aspiration, genuine peace — a basic requirement — is being established. Genuine peace requires genuine unity. It is understood and accepted that in endeavoring to obtain genuine unity, dialogue is needed to achieve genuine reconciliation [yin kyar se thint myat ye]. That is why a golden and silver path is being laid toward this goal.

Pe Kan Kaung is aware of the SLORC's position. That is why it is believed that the other side should adopt a flexible and constructive spirit instead of a dogmatic and destructive spirit to pave the way for dialogue.

Attempts to destroy and alter the SLORC's policy and the rights and privileges prescribed by the SLORC government will not lead to dialogue. One-sided pronouncements can only make dialogue more remote.

Pe Kan Kaung believes that building your own heroism with the intention of undermining the SLORC government is like hoping for a mistake to happen. There is no need to consult an astrologer to ascertain that the implementation of such an intent will cause the people as well as those concerned to suffer.

Mutual recognition, mutual respect, and general harmony can be prescribed as a backbone for dialogue. The SLORC government's action in this regard is clear.

If the SLORC gives more recognition and respect to the other side, it may eventually have to build a shrine under a banyan tree for worship.

Continued hatred without any reason constitutes ill will and continued fear without any reason constitutes cowardice. We have a maxim in Burmese culture that says if you steal to eat you do not trust others. It is understood that a lack of appreciation of the successes of the 15 indigenous armed groups who found a solution through dialogue and who now have allegiance to the union illustrates one's insincerity. [passage omitted]

[20 June p 3]

I will tell you about an AP item that appeared in the newspapers a few months back. Senator Robert Dole, the U.S. Senate majority leader and Republican presidential nominee, recently warned of excessive sex and violence in the U.S. entertainment industry (motion pictures, TV, music) at a function in Hollywood. Although most people agreed with the senator, some from the entertainment industry remarked that if the Senate began to control the freedom of expression (right to view, write, speak, sing), it could bring a revival of "McCarthyism" and action similar to the Nazi era.

Pe Kan Kaung would like to say: Ask yourself why the U.S. Senate majority leader and possible future president urged restraint on the freedom of expression.

I would like to explain about the death penalty in a so-called very independent democratic country. They abolished capital punishment, citing inhumanity and a person's right to life. Yet when criminal offenses like homicide — tens and hundreds of innocent people were murdered — and rape increased they became terrified and reinstated the death penalty.

It is unnatural for Pe Kan Kaung to reveal all this. I am doing it because of some who are blindly shouting for freedom under the pretense and out of fear that people might think they are undemocratic and anti-freedom if they reveal these facts. We must bear in mind that permissiveness [preceding word in English] is not compatible with the Myanmar [Burmese] people.

Pe Kan Kaung's country is governed by, in lay terms, "a military government." Although the SLORC government has not declared its policy in governing the country, those who look can see. I have already explained how the SLORC's activities are well-suited for liberal democracy [preceding two words in English]. I will explain another significant matter.

The SLORC government is exercising the policy of negotiation to balance disunity with unity and to clear people's minds of dogmatism, rigidity, extremism, and

violence. It would be a mistake to test and pressure the SLORC on the belief that it is practicing appeasement [shwe pyi aye wa da].

There is unbelievable flexibility [preceding word in English] in some of the SLORC government's dealings (especially in political and economical matters). No political expert can deny that this is one of the fundamentals of liberal democracy.

Another matter is to allow and forgive a person or group's wishes, even if they are different from the majority, if they do not contradict the basis of free democracy. This is another fundamental of liberal democracy. If you misunderstand this and think the SLORC is ignorant of democracy and reluctant to take action against your activities, then I will reiterate (you could be wrong).

The SLORC's diligent economic and social activities are not meant to prevent people from becoming interested in politics. Individual living standards and patriotic spirit are related. When the economy and living standards develop, the people (the citizens) achieve happiness. Happiness and contentment in turn create patriotism for the country where the people (the citizens) reside. When trust and reliance on your country's political system (democracy) increases — when you realize your country is providing full human rights and freedom — personal satisfaction with patriotism and the people's (the citizens) individual living standard will automatically emerge. The country is not driven in this direction blindly but with 12 objectives.

These endeavors cannot be erased, overridden, or compared with daydreams and dreams. [passage omitted citing explanation of daydreams and dreams]

Pe Kan Kaung's discussion is of the understanding and discussion of an ordinary person from among the more than 45 million people. It is obvious there is no more confusion like in 1988.

I am not sure whether you will believe it or not.

Burma: Suu Kyi Addresses Supporters, Says 17 Detainees Released

BK2206141796 Hong Kong AFP in English
1407 GMT 22 Jun 96

[FBIS Transcribed Text] Rangoon, June 22 (AFP) — Burmese pro-democracy activist Aung San Suu Kyi defied government threats yet again Saturday to speak before some 5,000 supporters, announcing the release of 17 recently detained dissidents.

"The day before yesterday, 17 youth organisers were freed... I sincerely thank the authorities for releasing

them, and would like to request them not to make such arrests in the future," she said.

Burma's ruling military junta, in the run-up to a planned May 26-29 congress of Aung San Suu Kyi's National League for Democracy (NLD), arrested more than 260 supporters.

Most of those arrested were victorious candidates from the NLD-swept 1990 elections, the results of which were not recognized by the junta.

In her one-hour address, Aung San Suu Kyi also responded to recent criticism from Singaporean elder statesman Lee Kuan Yew.

Referring to Lee's remarks that she should quietly remain a symbol of democracy and let the military go on with its job of governing, Aung San Suu Kyi declared her rights of free opinion and speech.

"As a believer in democracy, I believe that everyone has a right to express their views and opinions as they desire," the veteran dissident said.

"I would like him (Lee) to understand that we also long for a situation where we have a right to freely express our beliefs and our desires."

Comments by Lee Kuan Yew and other regional leaders deemed favourable by the junta are well-covered in the state-controlled media.

Saturday marked the third regular weekend gathering at Aung San Suu Kyi's residence in a row since a law banning activities "instigating unrest" was announced.

NLD supporters said the law was not applicable to the weekend pro-democracy meetings, as they aimed "to promote the rule of law."

Meanwhile an open letter in the state-controlled Mirror daily Saturday called on the authorities to stop the weekend meetings, saying the litter left behind by the crowds "detracted from the city's beauty."

"At a time when responsible authorities assisted by people were putting all their efforts into making Rangoon a modern garden city in time for 'Visit Myanmar [Burma] Year,' the unruly weekend crowd is making the city ugly," the letter, ostensibly written by city residents, said.

Myanmar is the name for Burma used by the country's authorities.

"The littering is... of particular embarrassment to the country, especially since foreigners were seen to be taking video clips of the scene and broadcasting them abroad," it said.

This was the third letter to appear in the state-controlled press asking that the weekend gathering be stopped.

Burma: Suu Kyi Addresses 'More Than 5,000' at Public Meeting

*BK2306132296 Hong Kong AFP in English
1306 GMT 23 Jun 96*

[FBIS Transcribed Text] RANGOON, June 23 (AFP) — More than 5,000 attended the third consecutive week of meetings Sunday outside the gate of pro-democracy leader Aung San Suu Kyi following the announcement of a law which seemed designed to bring them to a halt.

Criticism of the military government was kept to a minimum during the one hour public meeting, during which Aung San Suu Kyi shared the platform as usual with Tin Oo and Kyi Maung, vice chairmen of her National League for Democracy.

On June 7, the ruling military junta announced a new law authorizing the Home Ministry to outlaw any party drafting an alternative constitution or conducting any activity which "adversely affects the national interest."

Responsible members of any party outlawed under the act would be subject to prison terms of five-to-20 years.

The meeting, held in the afternoon monsoon rains, ended uneventfully. Her speech was noticeably toned down as she avoided controversial subjects.

Tin Oo, considered the legal expert among the leadership, however made direct references to the new law and praised the gathering for their courage with the threat of arrest over their heads.

He repeated that the NLD had sent the ruling State Law and Order Restoration Council (SLORC) a letter reminding it "that the latest law totally contradicted their previous official pronouncements which spelled out their policies and set principles."

The SLORC had promised to adhere to democratic principles in paving the way toward a genuine democratic state, and had stated that it was striving for national reconciliation with legal as well as underground groups, he said.

"I would like to emphasize that their latest law not only contradicts their earlier statements ... but was deliberately enacted to dismember the NLD and declare it illegal," Tin Oo said.

The only practical way to ensure peace and stability, as the SLORC has said it intends to do, was "through dialogue and negotiations with all political parties based on the true desires of the people," Tin Oo said.

More than 260 members of the NLD were detained ahead of a party congress held in May. Although more than 150 have been released, as many as 13 of them said they were withdrawing from the party and dropping out of politics.

Aung San Suu Kyi has said the resignations from the party were "not binding" if they were made under duress.

Rangoon-based diplomats and analysts have said the new law may have been directed more at putting a halt to the NLD's plans to draft an alternative constitution than with ending the meetings.

Instead of convening a parliament based on national elections swept by the NLD in 1990, the junta has formed a national convention which it is using to draw up a constitution guaranteeing 25 percent of the seats in any future parliament for the military.

Burma: Jailed Ex-Honorary Consul of Norway Dies in Rangoon

*OW2406104696 Tokyo KYODO in English
1024 GMT 24 Jun 96*

[FBIS Transcribed Text] Yangon [Rangoon], June 24 KYODO — Former Norwegian Honorary Consul James Leander (Leo) Nichols, who was sentenced May 17 to three years imprisonment for using an unauthorized fax and telephone setup, died Saturday [22 June] after collapsing in his cell in Insein Prison, prison sources said Monday. He was 65.

Nichols was given a church funeral service and buried Sunday in the Christian cemetery at Sawbwayigone, in Insein township.

An Anglo-Burmese man and Myanmar [Burma] citizen, Nichols was being treated at the prison hospital for high blood pressure and diabetes since his detention in early April.

After falling unconscious Saturday morning, he was taken to Yangon General Hospital where he died the same afternoon, the sources said.

Nichols was arrested April 5 for using unauthorized facsimile and telephone equipment at his house, and later convicted under the 1933 telegraphic law.

He was survived by his wife and two children who live in Australia.

Burma: Friend of Aung San Suu Kyi Found Dead in Prison

BK2306084896 Hong Kong AFP in English
0732 GMT 23 Jun 96

[FBIS Transcribed Text] RANGOON, June 23 (AFP) — Leo Nichols, 64, a close family friend of pro-democracy leader Aung San Suu Kyi, has died in Rangoon's central prison only weeks into a three-year sentence, a source said Sunday.

Nichols, found guilty of violating Burma's telecommunications law by illegally installing an extra facsimile machine and telephone lines at his residence, succumbed to a stroke, the source said.

He was reportedly found unconscious in his jail bed around 11:00 a.m. (0430 GMT) Saturday and was rushed to the prison hospital and then to downtown Rangoon's general hospital where died around 1:00 p.m. (0630 GMT).

A private businessman with a Burmese identity card, Nichols was also acting as de facto honorary consul for several countries, including Norway, when he was arrested last April.

He was tried and sentenced despite a petition for his release presented by the ambassadors of the countries he represented.

The sentence was being appealed at a divisional court at the time of his death, a legal source who independently confirmed the death told AFP, adding that his immediate family in Australia had been informed.

A well-known philanthropist, Nichols had been a generous friend to Aung San Suu Kyi and her family.

Official confirmation of Nichol's demise was still pending.

Burma: SNLD 'Might Not' Boycott National Convention

BK2206111896 (Internet) BurmaNet News in English
20 Jun 96

[SHAN HERALD AGENCY NEWS report dated 15 June]

[FBIS Transcribed Text] Reports that the Shan Nationalities League for Democracy (SNLD), popularly known as the Tiger Head Party (in reference to its emblem), the biggest party in the Shan State and second only to the NLD [National League for Democracy] in the whole Union of Burma during the 1990 elections, might not follow the NLD and boycott the SLORC [State Law and Order Restoration Council]-held "National Convention"

[NC] have caused many people to feel let down and have made some opposition parties scared.

The SNLD says it will continue to attend the next session of the NC when re-convened. The fact that the party had in the past spoken openly in the National Convention had been welcomed by every corner of the Union and their statements had been considered as the true reflection of the people's wishes, even more so than the words of the NLD in the meeting, as they had been excessively cautious until their leader Daw Aung San Suu Kyi was released last year.

"I hope I'm wrong," says Marko Ban, the Minister for Nationalities Affairs of the exiled National Coalition Government of the Union of Burma, "but we think the Tiger Head is helping the SLORC to win. It may think otherwise, but its sitting on the fence stance will only benefit the SLORC and not the people."

Asked to elaborate, Marko Ban, who is a Kayan from the Shan State, replied, "The two big issues of the Union have always been Democracy and Non-Burman rights. The SLORC's excuse for continued clinging on to power rests on either or both pillars. One has gone with the NLD's boycott. However, the SLORC can still survive on the other pillar. The SNLD's refusal to boycott is ensuring this. But if it declares the National Convention invalid, and refuses to attend it anymore, the other parties, most of them non-Burmans anyway, shall follow its example and as a result render the National Convention meaningless. It is in the best interests of the peoples of the Union that its leaders act decisively."

Asked what reasons might have turned the fierce Tiger into a cat, he said, "I don't know, but there are reports that Khun Htun Oo (the party's leader) is being silenced by business concessions from the SLORC. At least for the sake of the people of Shan State, I hope he refuses to exchange his own people's rights merely for his personal interests."

However, S.H.A.N. [SHAN HERALD AGENCY NEWS] could not as yet verify the reports of business concessions.

There is also speculation that the SNLD may have been under threat. One little piece of news that escaped the media's attention during the recent SLORC arrest of hundreds of NLD members was that they also took into custody the SNLD's well-known and highly popular organizer, Sai Pha on 21 May. Though he was released 5 days later, the ordeal might have served as a warning to the Shans who are seriously considering the option of boycotting.

Burma: Article Accuses Government of Mistreating Farmers

BK2206123396 (Internet) BurmaNet News in English 20 Jun 96

[Article by "BurmaNet Editor" dated 19 June: "The Plight of Burmese Farmers"]

[FBIS Transcribed Text] Burmese military-controlled TV frequently portrays a new generation of farmers growing rich. Off the screen, the situation is vastly different.

Most farmers are struggling to make ends meet because of the high cost of fertilizer and the regulation that they must sell a portion of their crops to the government at artificially low prices.

Farmers in Pegu Division produce roughly 50 baskets of rice per year. On the open market, a basket of rice fetches 400 Kyat (just over \$3 at the unofficial exchange rate). However, they must sell 12 baskets per acre to the local authorities at a price of 50 Kyat per basket. With fertilizer costing 2300 Kyat per 50 kilo bag, little money is left after the harvest.

In certain areas in the Irrawaddy Division, reports indicate that farmers there are even harder hit. They are required to sell an extra 2 baskets to the army as well as 12 baskets to the local officials.

Some farmers are able to make extra cash by planting beans during the dry season. But again, the government takes a cut. Out of an average production of 12 baskets per acre, the authorities demand two at a price of just 600 Kyat each. The market price is 1600 Kyat.

When the crops fail, the farmers must still find a way to come up with their quotas. According to one longtime farmer, many poor farmers must sell their livestock so they can buy rice on the market and sell it back to the local authorities at the government price.

Those who do not come up with the quota on time are detained until their families can bring in the required amount. While in detention, they are not fed, and their families must bring them food or give the guards money to buy their meals.

In the Delta area, farmers who cannot meet the quota are often treated far worse. One resident related the following incident: "Earlier this year, one farmer's field was ruined because of the weather. He asked an official to come see the damage, but he didn't come. The farmer couldn't give his quota and he was afraid, so he fled for 30 days. Then he came back. When the official found out, he came and hanged him from a tree. After the farmer died, he cut down the tree."

An NLD [National League for Democracy] member who himself is a farmer said, "the authorities refuse to accept the actual problems of Burma."

The government has developed some project areas where the farmers receive fertilizer and gasoline at subsidized prices. However, the NLD member insisted that these are mostly for demonstration to outsiders and only 5% of the farmers are getting rich. He estimated that 80% of the farmers in his district supported the NLD.

Many farmers can no longer afford meat and have even had to cut back on their consumption of rice and vegetables. Yet, local chapters of the Union Solidarity and Development Association (USDA), a political organization founded by the SLORC [State Law and Order Restoration Council], have been profiting. In some areas, the USDA is granted the privilege of buying fertilizer from the government at a subsidized price and then selling it to the farmers at the market rate.

In one instance, the USDA was reported to be buying rice in advance of the harvest from farmers who were desperate for cash. Paying only 50% of the market value, the local USDA officials sold the rice at the full price after the harvest and pocketed the profit.

Last year, rice exports rose significantly, but at what cost? Once the rice bowl of Southeast Asia, Burma was one of the top rice exporters in the world. Today, the military regime appears intent on squeezing every last grain out of the farmers in order to increase exports and provide rations to its soldiers and bureaucrats. In the meantime, those who are spending their days growing the crops are going hungry.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Minister on Outcome of Commission Meeting With Indonesia

BK2106124296 Kuala Lumpur BERITA HARIAN in Malay 21 Jun 96 p 6

[Unattributed report]

[FBIS Translated Text] Georgetown, Thu — Malaysia and Indonesia will sign a memorandum of understanding (MoU) this year to further boost existing bilateral relations in the field of education, including the transfer of credits from institutions of higher learning.

In addition to this, the two countries also agreed on the establishment of a Joint Task Force to be represented by officials of the two countries. The task force will

conduct studies to determine the best method to further boost bilateral cooperation in education.

The decision was taken during the 5th Malaysia-Indonesia Joint Commission Meeting, which concluded here today.

In a joint press statement issued just after the conclusion of the meeting, Foreign Minister Datuk Abdullah Ahmad Badawi and his Indonesian counterpart Ali Alatas expressed their desire to see the MoU become a basis for cooperation in the field of education. They hoped to find solutions to problems that the students are facing.

Abdullah stated that numerous Malaysian private students, who are currently studying in Indonesia, are having difficulty obtaining student visas.

He said: "We seek the Indonesian Government's cooperation to hasten the issuance of student visas and permits. We hope that all the problems will be expeditiously solved at the ministerial level with the signing of the MoU."

Ali Alatas stated that the Joint Task Force proposed by Indonesia will be responsible for looking into the problem of students visas, the transfer of credits, cooperation among universities of the two countries and the establishment of a center of excellence in Indonesia, which Malaysia had previously proposed.

Malaysia: Defense Minister Returns From Britain, Indonesia

BK2406082396 Kuala Lumpur THE STAR in English
24 Jun 96

[Report by Zailani Ahmad — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Britain has promised to deliver two frigates ordered by the Royal Malaysian Navy by August next year.

Defence Minister Syed Hamid Albar said the question of compensation from the British Government did not arise because their "strong assurance is sufficient."

"The pledge was made by Defence Secretary Michael Portillo in London recently.

"Britain has also pledged to take necessary measures to overcome the problem," he told reporters after returning from a 12-day visit to Britain and Indonesia.

The frigates were supposed to have been commissioned last March but problems in the installation of the communications and weapon systems on both vessels had delayed their delivery.

Syed Hamid also said the Five-Power Defence Arrangement (FPDA) should discuss Malaysia's suggestion that clauses related to the security of Malaysia and Singa-

pore be reviewed in view of the political changes in the region.

He said one clause said that Britain "shall come in defence of Malaysia and Singapore."

"Instead of 'in defence of Malaysia and Singapore' it should read 'to assist in the defence of Malaysia and Singapore'.

"Consistent with our practice now, they (Britain) should only come upon request," he said.

Syed Hamid said as a sovereign and independent nation, Malaysia must be self-reliant in its future defence needs.

"Malaysia will continue to co-operate in accordance with the clauses but members should review some of the terms," said the minister.

Syed Hamid, who was accompanied by Chief of Armed Forces General Tan Sri Ismail Omar, also had the opportunity to look at the developments in the Navy, Army and Air Force Incorporated (NAAFI) while in Britain.

He said the NAAFI, which was being reorganised, promised to send a copy of the book on its reorganisation to the Defence Ministry for adoption wherever possible by Perwira Niaga Malaysia (Pernama), the NAAFI equivalent here.

Malaysia: Official Discusses Training Air Force Personnel in India

BK2106104596 Kuala Lumpur THE STAR in English
21 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The Armed Forces will continue to send its personnel, especially from the air force, for training in India.

Deputy Defence Minister Datuk Dr Abdullah Fadzil Che Wan said yesterday it was practical to send Royal Malaysian Air Force (RMAF) personnel for maintenance and flight training in the light of Malaysia's recent purchase of 18 Russian made MiG-29Ns.

"The Indians have experience with the MiG-29 and it is not practical to train our men in Russia," he told reporters after Indian Navy Chief Admiral V.S. Shekhawat called on him.

Russia completed delivery of the 18 jet fighters to Malaysia last year. Since the MiG deal was signed in 1993, Dr Abdullah said, 95 RMAF personnel had been sent to India for training.

From 1987 to 1993, he said 65 Malaysian military personnel from all three services were also trained in India.

On his talks with Admiral Shekhawat, Dr Abdullah said they centred on military co-operation in the training of officers and the purchase of defence equipment.

"We have ongoing contracts with Indian companies for the supply of military spare parts," he said.

Earlier, Admiral Shekhawat, who was here on a one-day visit, inspected a guard-of-honour mounted by 101 navy officers and men.

Malaysian Minister: Iranian Ties Unharmful by Crackdown on Shiites

BK2406085196 Kuala Lumpur THE STAR in English 24 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kepala Batas — Malaysia's move to check the spread of Shiism in the country should not affect the country's present bilateral relations with Iran, Foreign Minister Datuk Abdullah Ahmad Badawi said yesterday.

"The government's move to check Shiism influence in the country is purely a domestic issue and not an international one," he said.

Abdullah said he hoped the issue would not affect relations with Iran, which practices Shiism.

"There are many opportunities for us to cooperate with Iran... we are already cooperating with them on many issues which we share a common position, and I think that's very good," he added.

Replying reporters' questions on the delays in implementing agreements signed between Malaysian and Iranian businesses, Abdullah said the Shiism-Sunni issue should not be implicated as a cause of the delays.

He said the delays and problems faced by Malaysian businessmen in implementing business agreements with their Iranian counterparts would be brought up during the Malaysia-Iran Joint Economic Commission (JEC) meeting later this year.

Abdullah, was speaking to reporters after chairing the UMNO [United Malays National Organization] Bertam branch meeting here, said the businessmen should inform his ministry of their specific problems in implementing the pact.

Malaysia: Foreign Minister on Israeli Trade Ties, Butrus-Ghali

BK2206102996 Kuala Lumpur THE STAR in English 22 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Future trade ties with Israel will largely depend on efforts by the newly-elected Israeli prime minister to secure peace in West Asia.

Foreign Minister Datuk Abdullah Ahmad Badawi said whether Malaysia would step up or sever trade relations with Israel depended on the latter's sincerity in continuing with the peace process.

"If Israel is successful in the peace process, particularly in resolving the conflict with the Palestinians, then we could improve our ties," he said yesterday after receiving a video programme on Koranic teachings from Minister in the Prime Minister's Department Datuk Dr Abdul Hamid Othman.

Malaysia, he said, was "taking note" of Benjamin Netanyahu's statements on the matter.

In January, the International Trade and Industry Ministry was given the go-ahead to establish trade ties with Israel.

Abdullah said the trade relations move was approved because former prime minister Shimon Peres had shown efforts in wanting to achieve peace through negotiations.

To a question, Abdullah said Malaysia had not decided on whether to support United Nations Secretary-General Butrus Butrus-Ghali's reappointment to the post for a second term.

Butrus-Ghali began his five-year term on Jan 1, 1992.

Earlier, Abdullah said the video programmes would be channelled to Wisma Putra [Ministry of Foreign Affairs] officials and their families overseas.

"The videotape is a form of distance learning for our officers and their children," he said.

Future video productions could be based on specific questions put forward by the officials, he added.

Malaysia: Chances 'Slim' for Reconciliation Between Parties

BK2206103196 Kuala Lumpur THE STAR in English 22 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kemaman — The soured ties between Parti Semangat Melayu 46 [Malay Party of

the Spirit of 46] and Parti Islam Semenanjung [Pan-Malaysian Islamic Party] (PAS) have reached the point of no return, Semangat president Tengku Razaleigh Hamzah said.

He said chances of reconciliation between the two parties had become slim because PAS had made the first move to sever the ties in their recent general assembly.

"The party (PAS) leadership did not recognise the Semangat leadership and the matter was brought up in its recent assembly, which goes to show that PAS wants Semangat 46 out of Angkatan Perpaduan Ummah [Islamic Unity Front]," Tengku Razaleigh told reporters after his meeting with Kemaman Semangat leaders at Kampong Gong Limau here yesterday.

Malaysian Minister: al-Arqam Teachings Contrary to Power Sharing

BK2406085296 Kuala Lumpur THE STAR in English 24 Jun 96

[Report by Anthony Tan — received via Internet]

[FBIS Transcribed Text] Sik — The al-Arqam Movement's teachings are against the country's philosophy of power sharing, Minister in the Prime Minister's Department Datuk Dr Abdul Hamid Othman said yesterday.

He said the movement was dangerous because it promoted an administration exclusively of Muslims, while the country's political philosophy was based on power sharing among the various communities.

"Power sharing means that together we (the various communities) bear the responsibility and political rights," he said after visiting the construction site of an Islamic religious secondary school.

Dr Abdul Hamid said mutual understanding among the various communities had played the greatest role in bringing harmony and development to the country.

"What we are afraid of is misunderstanding and disharmony among the religions which can cause unending chaos," he said.

He said that in future, the government would introduce stay-in courses for the rehabilitation of former Arqam members, because some of them had failed to turn up for evening courses.

Dr Abdul Hamid said the government would stress on awareness among Muslims to read the Koran, so that it would result in a form of social control in the individual.

On the religious school project here, he said it would be a fully residential one for 800 students and 70 teachers.

Malaysia: Deputy Premier Says Bakun Hydro Project 'Can Go On'

BK2306105296 Kuala Lumpur SUNDAY STAR in English 23 Jun 96

[Report by Shamsul Akmar, James Wong, Shashi Kumar, and Mas Elati — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Datuk Sri Anwar Ibrahim said preliminary work on the Bakun hydro-electric project can go on.

Expressing a stand similar to the one taken by Sarawak Chief Minister Tan Sri Abdul Taib Mahmud in interpreting Wednesday's court ruling, he said: "As for now, work can proceed."

The Deputy Prime Minister said the report by Attorney-General Tan Sri Mohtar Abdullah to the Government did not give any definitive recommendations on whether work should go on or stop.

He said the report stated that the court ruling should be respected but also pointed out that the court did not order work to be stopped.

"Our priority, based on the report, is to resolve technical problems following the court decision," he said after attending the China National Song and Dance Ensemble Charity Show at the Putra World Trade Centre here last night.

Anwar, who chairs the Cabinet committee on Bakun, had received the report yesterday morning.

In Kuching, Taib said that preparatory work on the dam would continue.

"As the court did not give any order to stop work, which was unusual, the project would go on in accordance with the conditions under the law."

He said what he understood from the judgment was that the exemption given by the Science, Technology and Environment Minister was not valid because it was retrospective.

"The High Court evaded the issue of who had the power to approve the EIA [environment impact assessment] report on Bakun," he added.

High Court judge Datuk James Foong declared on Wednesday that the Environmental Quality (Prescribed Activities) Amendment Order 1995 — which transferred federal jurisdiction over EIAs to Sarawak — was invalid.

He also declared that Bakun's developer, Ekran Bhd [private], must comply with EIA requirements under the

Environmental Quality Act 1974 (EQA) before carrying out the project.

Describing the issue as a "technical problem," Taib maintained that Sarawak had the legal powers under the Natural Resource and Environment Ordinance since 1949 (amended in 1993) to deal with EIA approvals.

"Unless there is a constitutional means of taking that power away from the state, we assume that the power is still there," he said.

Taib said the court did not order the EIA reports to be approved by the Department of Environment.

Earlier yesterday, after the handing-over ceremony of keys in a public housing project in Jelatek, Kuala Lumpur, Anwar said: "To stop the project is not as easy as stopping a lorry which you can halt immediately.

"There are other facilitating jobs on the project which may have to go on even if the stop-work order is invoked," he added.

Anwar said agreements to be concluded between Ekran and Tenaga Nasional Bhd [National Power Corporation] over power supply from Bakun would go on as scheduled.

"We believe the legal implications from the court decision on the project will be made clear in a few days and we should be able to see how the project proceeds," he added.

When approached by reporters at his office, the Attorney-General said the Government had not ruled out the possibility of appealing against the decision that the amendment to transfer EIA approval to Sarawak was invalid.

Mohtar said he was taking into account all circumstances to determine if this was an appropriate case for the Government to make an appeal.

"We will consider whether or not we will appeal on behalf of the Department of Environment and the Government.

"That is why I have to talk to everyone concerned and look at the judgment and its implications under the law."

He added that the Sarawak government might also file an appeal.

Asked if the Bakun project could go on if there was no order to stop work, Mohtar said he did not know.

"You have to look at the provisions of the law to see if a person is breaking the law or a court order and check the consequences," he said.

Cambodia

Cambodia: PGNUNS Spokesman Condemns Destruction of Forests

BK2206091896 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 21 Jun 96

[Communique issued by the spokesman of the Provisional Government of National Union and National Salvation of Cambodia on 21 June; place not given — read by announcer]

[FBIS Translated Text] 1. The entire Cambodian nation and people are enraged and have protested and are protesting against the massive destruction of their forests by the communist Vietnamese aggressors, the traitorous two heads—Vietnamese lackeys—and unscrupulous foreign merchants.

2. In the past nearly 18 years of the Vietnamese war of aggression, especially during the past three years under the two-headed regime—the cheap lackey of communist Vietnam and the alliance—the Cambodian forests have been massively ruined.

According to statistics recognized both by Cambodians and foreigners, less than 40 percent is left of the total amount of forests existing before 1970 or before 1978. The communist Vietnamese aggressors and the traitors felled over 60 to 70 percent of the trees and sold them cheaply. They are barbarously continuing to fell more trees.

In the areas on the eastern part of the Mekong River bordering Vietnam from Stung Treng to Ratanakiri, Mondolkiri, Kratie, and Kompong Cham through to Takeo and Kampot Provinces, millions of hectares of forests were completely ruined—both large and small trees were felled. Forests in the vicinity of the coastal areas in Kampot and Koh Kong Provinces have also been ruined.

The question is: Who felled trees and caused such destruction to the forests?

They are the communist Vietnamese aggressors, two-headed traitors Hun Sen, Chea Sim, Ranariddh, Sar Kheng Tie Banh, Pol Saroeun, and Ke Kimyan. The communist Vietnamese aggressors felled trees and sent them to Vietnam and to other countries at will. They have done this at will since 1979. The two heads sold millions of hectares of land and forests at a cheap price to unscrupulous foreign merchants, granting them permits for 70 years, 80 years, or 90 years.

3. This is a traitorous, nation-selling act. It is a most heinous, most destructive, extremely criminal act of killing the Cambodian nation and people.

The traitorous two heads must be held responsible for the extremely heinous crimes of treason, selling out the nation, and killing the nation and people.

The Cambodian nation and people cannot pardon them.

4. The Provisional Government of National Union and National Salvation (PGNUNS), jointly with the entire Cambodian nation and people, vehemently and strongly condemn all these criminal acts of felling trees, destroying forests, and killing the Cambodian nation and people.

The PGNUNS, jointly with the entire Cambodian nation and people—in the past as well as at present and in the future—have struggled, are struggling, and will be struggling for the salvation and defense of our beloved Cambodian nation, people, and race, preserving them as an independent, peaceful, unified, democratic, and neutral nation with its territorial integrity. (This struggle) is also to protect the national and people's property on and under the ground, including forests and trees, and to prevent the traitorous two heads and the local and foreign bandit chieftains from tearing off, eating the flesh, and sucking the blood of our Cambodian nation and people at will.

[Dated] 21 June 1996

[Signed] PGNUNS spokesman

Indonesia

Indonesia: Malaysian Minister Views Air Show, Meets Counterpart

BK2306150896 Kuala Lumpur Voice of Malaysia in English 0800 GMT 23 Jun 96

[FBIS Transcribed Text] Indonesia's biennial air show, launched yesterday, should be viewed as one paving healthy competition to Malaysia's Langkawi International Maritime and Aerospace, LIMA, exhibition. [Malaysian] Defense Minister Datuk Syed Hamid Albar, who was in Jakarta to attend the launch of the Indonesian Air Show 96, was commenting on Indonesia's move to hold the show biennially.

President Suharto, in announcing the move during the launch at the Sukarno-Hatta International Airport, said the next show will be called the Asia-Pacific Hi-Tech and Aerospace Show. Besides Malaysia and Indonesia, Singapore is another ASEAN country that holds an air show biennially. Syeh Hamid said air shows are important as catalysts for the development of the aerospace and defense industries. On ASEAN's progress in the aerospace field, he said these countries are now more confident in developing their respective aerospace industries. However, they should look for

areas of speciality so that they can complement each other. To further develop the aerospace field in ASEAN, the countries involved should stop depending on the Western countries and move towards partnership.

[Jakarta TVRI Television Network in Indonesian at 1000 GMT on 23 June adds that General Edi Sudrajat, Indonesian defense and security minister, received a courtesy call from the Malaysian defense minister and from Turkish National Defense Minister Oltan Sunugur, and Lieutenant General (Daniel Bertol), director of international relations of the French Defense Ministry.

The report says: "The three defense officials paid the courtesy call in conjunction with their attendance at the Indonesian Air Show at Jakarta's Sukarno-Hatta International Airport. They said Indonesia has an important role to play in international politics."

Indonesia: Commentary Views Significance of Jakarta Air Show

BK2406132296 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 24 Jun 96

[Station commentary]

[FBIS Translated Text] Indonesia has again opened a new chapter in its aviation history by staging the Indonesian Air Show [IAS] at the Sukarno-Hatta International Airport from 22 to 30 June. The second IAS was attended by Cambodian Prime Minister Norodom Ranariddh, as well as defense and military officers from several friendly countries. In his opening speech, President Suharto stressed the significance of this international event in view of the increasingly competitive aviation industry. As air transportation has also become an urgent need in our country, we must gradually reduce our dependence on aircraft-producing countries.

The head of state said the Indonesian people already have a number of qualified experts and personnel to develop its own aviation industry. Therefore, it is possible for the country's best sons to master aviation technology.

If we look back, we notice that since 1976 the Nusantara Aviation Industry has demonstrated its rapid progress by producing C-212 aircraft and several types of helicopters in cooperation with foreign partners. Since 1986, it has also begun producing CN-235 aircraft and tested N-250 aircraft in 1995. This is indeed an impressive performance because the aircraft produced by our aviation industry has been bought and used by several countries, including the United States. Several domestic and foreign companies have ordered at least 219 N-250 aircraft because they are suitable for intercity flights and

small airports with short runways. In this connection, IAS should serve not only as an exhibition and transaction venue of sophisticated aircraft from industrialized countries, but also as an instrument to measure our strengths and weaknesses in the aviation industry. We have ample opportunity to produce small- and medium-sized aircraft because of their growing demand in developing countries at a time when two giant aircraft producers—Boeing and Airbus—have confirmed their domination in producing wide-bodied aircraft.

Indonesia: Minister Reports to Suharto on CGI Meeting Outcome

BK2106145796 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 21 Jun 96

[FBIS Translated Text] President Suharto says that foreign loans only serve to complement Indonesia's national development. Speaking to reporters after meeting with the president at Merdeka Palace moments ago, Finance Minister Mar'ie Muhammad quoted the president as saying that the public should realize the nature of foreign loans — that they serve to complement national development. The finance minister met with the president to report on the outcome of the CGI [Consultative Group on Indonesia] meeting in Paris, which agreed to provide loans totalling \$5.26 billion to Indonesia. Minister Mar'ie said foreign loans are still needed to ensure adequate funds for projects that are not attractive to private investors.

Indonesia: PDI, Jakarta Commander Reach Consensus Over Clashes

BK2206093596 Jakarta KOMPAS in Indonesian 22 Jun 96

[Unattributed report — received via Internet; italicized passages in English]

[FBIS Translated Excerpt] Jakarta, KOMPAS — Megawati Sukarnoputri, general chairwoman of the Indonesian Democratic Party (PDI) Central Executive Council, has said that she remains the democratically elected general chairwoman of the PDI Central Executive Council for the 1993-1998 term and is supported by the people and PDI branches throughout Indonesia.

Meanwhile, Major General Sutiyoso, commander of the Greater Jakarta Military Region, and the PDI Central Executive Council held over three hours of talks on Friday afternoon. The two sides regretted the "Gambir incident" on Thursday (20 June), during which many PDI members and security personnel were injured. They agreed to bring the situation under control and not to allow themselves to be provoked by those wishing to exploit the situation.

Megawati's policy statement was read over by Kwik Kian Gie, chairman of the PDI Central Executive Council and the PDI Research and Development Board, who was accompanied by Laksamana Sukardi at the headquarters of the PDI Central Executive Council on 58 Diponegoro Avenue, Central Jakarta on Friday (21 June). The function was also attended by dozens of domestic and foreign journalists. "I appeal to PDI rank and file, members, cadres, and sympathizers to work normally under the PDI Central Executive Council headed by Megawati Sukarnoputri. As general chairwoman, I will continue to fight for democracy and the people's sovereignty," Megawati said.

Megawati reiterated that the Medan congress is illegal and unconstitutional. "We consider the congress to be illegal and a manifestation of the imposition of one's will on another. The general chairwoman of the PDI Central Executive Council cited the existence of discrimination in the PDI Congress. There has been tight *censorship* and discrimination because democratic aspirations and the support for me as general chairwoman of the PDI Central Executive Council are ignored," Megawati stated.

Megawati added that the failure to channel the people's aspirations due to the ineffectiveness of political parties that belong to the people will lead to unrest highly detrimental to public security and order. "The convening of the Medan congress led to violent clashes," Megawati said. She expressed her deep concern over the injuries that resulted from violent clashes between the masses and the security apparatus on Thursday. "We once again call on all sides to remain cool and calm as well as to maintain national unity, public order, and courtesy," Megawati stated.

Consensus With the Greater Jakarta Military Commander [subhead]

The restlessness of the PDI masses who gathered on Friday afternoon began to subside when officials of the PDI Central Executive Council arrived after talks with the Greater Jakarta military commander. Agung Imam Sumatno, acting chairman of the PDI Greater Jakarta Regional Executive Council, announced to the PDI masses at about 1930 West Indonesian Standard Time that a consensus had been reached with the commander. "The essence of the consensus between us and the Greater Jakarta military commander is that the commander will not bar PDI members from coming to the headquarters of the PDI Central Executive Council headed by General Chairwoman Megawati Sukarnoputri on Diponegoro Avenue," Agung said.

A similar explanation on the consensus between the commander and seven officials of the PDI Central

Executive Council was given to journalists by Haryanto Taslam, chairman of the PDI Central Executive Council. In addition to Haryanto, those meeting the commander were Sutarjo Suryoguritno, I Gusti Ngurah Sara (the PDI Central Executive Council), Sophan Sophiaan (the PDI Caucus in the House of Representatives), Tarto Sudiro (the PDI Caucus in the House of Representatives), Roy Janis the PDI Caucus in the People's Consultative Assembly), and Agung Imam Sumatno.

The talks between the commander and the PDI led to the consensus. The two sides regretted and expressed concern over the Gambir incident during the PDI's *long march* on Thursday, because many PDI members and personnel of the Greater Jakarta Military Region Command were injured.

According to Haryanto, 73 PDI members were slightly injured, 52 others arrested, and eight PDI cars seriously damaged during the clashes. Five members have been hospitalized, while 48 of the 52 arrested during the clashes are still in custody. "Hopefully, the remaining 48 will be released tonight, as the two sides regretted yesterday's incident," Haryanto said.

The two sides said that the clashes and riots were not instigated by PDI members.

According to Haryanto, the commander expressed his willingness to relay the aspirations of PDI members to the authorities, but said he would not become a mediator. The PDI Central Executive Council headed by Megawati feels that the authorities have ignored its aspirations. "Nevertheless, the commander must first obtain the consent of his superior," Haryanto added. According to Haryanto, Maj. Gen. Sutiyoso said no PDI members are barred or prevented from going to the headquarters of the legal and constitutional PDI Central Executive Council headed by Megawati Sukarnoputri.

Journalists asked the PDI Central Executive Council about its stance on the formation of the Medan congress-engineered PDI Central Executive Council. "We, the legal and constitutional PDI Central Executive Council, will never consider any results of the congress. The PDI Central Executive Council, which was legally and constitutionally elected for the 1993-1998 term, has firmly rejected the congress," Haryanto said.

Meanwhile, Armed Forces Commander Gen. Feisal Tanjung said in Jakarta on Friday that there were signs that the PDI riots in Jakarta were instigated by certain nongovernmental organizations (NGO's). "There were apparent signs of their instigating the riots. They later fled. Certain NGO's instigated the riots and left the PDI members afterwards," Feisal said. [passage omitted]

Indonesia: Home Minister, Suryadi Address Splinter PDI Congress

*BK2206130996 Jakarta Radio Republik Indonesia
Network in Indonesian 1200 GMT 22 Jun 96*

[Live report" by Syahrizal M.S. in Medan]

[FBIS Translated Text] Home Affairs Minister Yogi Suardi Memet officially closed the Fourth Congress of the Indonesian Democratic Party (PDI) at the Pangkalan Mansyur Haji Dormitory in Medan this afternoon. In his speech, the home affairs minister urged the PDI rank and file to work hard so that the PDI, as a national asset, will be able to present itself as an independent and ideal sociopolitical organization. According to the home affairs minister, the results of the Fourth PDI Congress in Medan were very historic for the government and the PDI itself because it lived up to the efforts to enhance the people's quality and compensated for the failure of the third congress at the same venue in 1993.

Meanwhile, Drs. [academic title] Haji Suryadi, the new general chairman of the PDI Central Executive Council, said in his maiden speech that the PDI firmly adheres to Pancasila democracy, which gives priority to consultations, and the party consistently adopts a corrective and constructive attitude. This correct and constructive attitude is aimed not only at monitoring the exercise of state power but is also indispensable in determining our future.

The closing of the Fourth PDI Congress was also attended by Lieutenant General Syarwan Hamid, chief sociopolitical officer of the Armed Forces of the Republic of Indonesia; North Sumatera Governor Haji Raja Inal Siregar; the commander of the Bukit Barisan 1st Military Region; and about 2,000 PDI cadres.

Indonesia: Splinter PDI Congress Ends; Suryadi Named Chairman

*BK2206105296 Jakarta TVRI Television Network
in Indonesian 1000 GMT 22 Jun 96*

[FBIS Translated Text] We have just received a report from a TVRI news team that the home affairs minister closed the Fourth Congress of the Indonesian Democratic Party (PDI) in Medan, North Sumatera today at 1530 West Indonesian Standard Time. Earlier, the PDI Central Executive Council and Central Advisory Council for the 1996- 98 term were announced during a plenary session. Suryadi was elected general chairman of the PDI Central Executive Council while Butuh Hutapea became secretary general of the PDI Central Executive Council. Thirty-seven members of the PDI Central Executive Council and Central Advisory Council were also elected during the congress.

Indonesia: New Chairman of PDI Splinter Faction Interviewed

*BK2406105996 Jakarta TEMPO in Indonesian
22 Jun 96*

[Interview with Suryadi, new chairman of the splinter faction of the Indonesian Democratic Party, by unidentified TEMPO correspondent in Medan; date not given — received via Internet]

[FBIS Translated Text] [TEMPO] Do you think the congress in Medan has solved problems?

[Suryadi] Why should we hold the congress, if it will only create problems? Please do not have a negative attitude.

[TEMPO] What happens after Megawati is ousted?

[Suryadi] Nobody owns PDI [Indonesian Democratic Party]. Anybody that is suitable to lead the party can become chairman. Someone unsuitable must not impose his desire to be PDI chairman.

[TEMPO] But Megawati said she will lead PDI until 1998, and you have said the same thing. So there will be dual leadership.

[Suryadi] There is no need to have dual leadership. Even if a person now still claims she is the chairperson, ultimately there will only be one chairman later. The same is true with the party's central executive council.

[TEMPO] Do you think this situation will follow the pattern of the PDI East Java chapter, where there is one camp led by Latif and another by Sucipto?

[Suryadi] The East Java case is still unresolved, but let us pray it will be resolved soon.

[TEMPO] Will there be an early recall of PDI representatives in parliament?

[Suryadi] I hope not, but it also depends on them. Those who want to be recalled will have their wish fulfilled.

[TEMPO] What happens if Megawati also nominates her parliamentary candidates?

[Suryadi] According to the party mechanism, PDI candidates are nominated by the branch secretariat. It was also the procedure during my earlier tenure as chairman.

[TEMPO] How do you plan to solve the case of East Java chapter?

[Suryadi] Let the PDI central executive council solve it. I myself have no special powers.

[TEMPO] What happens if Megawati refuses to step down?

[Suryadi] The party's central executive council must implement the tasks assigned by congress. Even though I am an optimistic person, I think this will not be easily solved because there are two opposing camps. At this stage, people are still emotional, and we will ask them to sit down and talk when they are less emotional. We should be patient. Now we not only have differences of opinion, but also differences over what courses of action to take. There are rules and regulations for taking action.

[TEMPO] Are you going to see the president after congress?

[Suryadi] We will wait and see.

[TEMPO] Once again, who are you going to recall first from parliament as PDI representatives?

[Suryadi] Why do you have such a wicked mind? Do you think I am on the same level as your own evil mind? I am not a vindictive person.

Indonesia: Sukarno's Daughter Defies Government, Party Faction

*BK2306103996 Hong Kong AFP in English
1026 GMT 23 Jun 96*

[FBIS Transcribed Text] JAKARTA, June 23 (AFP) — The daughter of Indonesia's first president defied the government and a breakaway faction of her party by declaring Sunday she remained the legal head of the Indonesian Democratic Party (PDI).

Megawati Sukarnoputri told some 1,500 supporters who had waited for hours under the fierce sun at the PDI's headquarters here that she remained the lawful chairman of the Indonesian opposition party.

"I am the lawful, legal and constitutional chairman of the PDI for the 1993-1998 period," Megawati said.

Her statement came a day after a breakaway faction held a congress in Medan, North Sumatra and elected former PDI chairman and current House Deputy Speaker Suryadi to replace her.

The congress in Medan was "illegal, in violation of the party's constitution" and the national constitution, Megawati said to cheers from her supporters.

Megawati called on all party chapters at district and provincial level to hold conferences to "consolidate and obtain a crystallisation of leadership."

She also called for them to continue the party's activities normally, including preparing a list of parliamentary candidates for the upcoming 1997 general elections.

"Remember, that what we are fighting for now is ... the sovereignty that is in the hands of the people and ... democracy," Megawati said.

"Stop crying," she told followers, calling on them to hold up their heads. "What we all have is pride, what we all have is spirit and what we all have is hope."

She said the congress, called suddenly in June, was based on documents which were "full of fallacy and lies."

Other party officials said the documents contained fake signatures or had been signed by officials who had no authority to do so.

She said she had offered to sit down with the government to study the validity of the documents, but had received no reply.

Megawati added that her party planned to take the breakaway faction to court, but did not say when.

The congress, held with the tacit support of the government and the military, also elected a new executive board that included Buttu Hutapea as secretary general and congress chairman Fatimah Achmad as one of the deputy-chairmen. Megawati and her allies were excluded from the congress.

Home Affairs Minister Yogie Suardi Memed, who opened and closed the congress, said Saturday that as far as the government was concerned only those elected by the congress were legitimate executives of the PDI.

He was echoed by Military Chief General Feisal Tanjung and the head of the military's influential socio-political affairs department, Lieutenant General Syarwan Hamid.

The PDI, which enjoys considerable popular support because of Megawati's relationship to the country's founding president, is seen as the only legal party that could present any challenge to the ruling Golkar party in next year's elections.

But the split could damage the party's effort.

Thousands of Megawati supporters marching in central Jakarta Thursday demanding a break-up of the Medan congress, clashed with security forces, leaving more than 100 injured.

In a press statement Saturday Megawati accused government agents of initiating the stone throwing that led to Thursday's violent clash with security forces.

PDI, along with the ruling Golkar party which has won all elections since 1971 and the Moslem-oriented United Development Party, are the only three political parties recognised by the government.

Indonesians will vote to choose 425 of the country's 500 parliamentary seats in 1997. The remaining 75 seats are appointed by the president from the military who do not vote in elections.

Besides Sunday's show of support at PDI headquarters, rallies backing Megawati have also been held in the past few days in several cities, including nearby Bandung, Blitar and Surabaya in East Java, and in Ujungpandang, South Sulawesi.

Indonesia: PDI's Megawati Addresses Supporters, Rejects Ouster

BK2406060296 Jakarta THE JAKARTA POST
in English 24 Jun 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — Rejecting last week's government-backed congress which ousted her, Megawati Sukarnoputri said yesterday she remains the legitimate chief of the Indonesian Democratic Party (PDI).

Addressing a gathering of 5,000 supporters at the party's headquarters in Jakarta, Megawati called on party branches throughout Indonesia to hold conferences to consolidate her leadership.

"I am the legitimate PDI chief for the 1993-1998 period," she said to the thunderous applause of her supporters who occupied a section of Jalan [Road] Diponegoro in front of the headquarters.

Megawati, a daughter of Indonesia's first president Sukarno, said she had refused the positions offered by her political foes which were an apparent compromise intended to end the party's leadership rift.

Megawati made her public stand only a day after the congress elected Suryadi to replace her. Suryadi is a former PDI chief.

Dozens of plainclothes and regular security officers surrounded the party headquarters yesterday. The rally ended peacefully in late afternoon.

The government and the military, which fully supported the rebel congress, said they recognize Suryadi's election. They have yet to withdraw, however, their recognition of Megawati's leadership.

Megawati was elected by popular vote in a 1993 extraordinary PDI congress. She is highly popular among average Indonesians. She is widely believed to be capable of attracting young pro-democracy voters in next year's general election.

Her admirers have asked her to run for president in 1998.

Suryadi and her other political foes have accused Megawati of turning the PDI nationalist-Christian alliance into an opposition party, which they say is unconstitutional under Indonesian law.

Megawati said breakaway members lied when claiming the congress reflected the will of the majority of local party leaders.

"They are full of lies. We have asked the government to investigate our allegation but they turn a blind eye," she told party activists from all over Indonesia.

Megawati has filed a lawsuit against the government for endorsing the rebel congress in Medan, North Sumatra, she claims was unconstitutional.

She called on her supporters across the country to maintain their political morality, stay calm, do their jobs, and prepare for next year's general election.

Party activists threatened to pour into the streets of Jakarta again if the government insists on forcibly deposing Megawati.

Dozens of people were injured on June 20, when troops forcibly dispersed thousands of her supporters marching from the party headquarters to the Ministry of Home Affairs.

More rallies are planned. This prompted London-based Amnesty International to express fear yesterday about the government's excessive use of force when handling protests.

Also yesterday, several hundred loyal Megawati activists marched to the local legislative council in Salatiga, Central Java, to express anger at last week's congress.

Megawati's supporters in Jakarta have vowed to safeguard the PDI headquarters and never let Suryadi occupy it.

In Medan, Suryadi said he would ask Megawati to give up the headquarters peacefully because he is the new party chief recognized by government.

"I can't imagine a better place for a headquarters, but I will surely not use violence to take it over," he told THE JAKARTA POST.

Fatimah Akhmad, Suryadi's ally who played a key role in organizing the rebel congress, said she should talk to Megawati on the headquarters takeover.

Armed Forces Chief of Sociopolitical Affairs Lieutenant General Syarwan Hamid said the military was ready to help the rebel party leaders if required.

"We will do our best if we are called in," he said, adding that the dispute over the headquarters was an internal PDI problem.

Asked about his plans, Suryadi said he would soon introduce his programs to all party members.

His secretary-general Buttu Hutapea said the Suryadi camp would list PDI's House of Representatives candidates.

Rebel congress participants were flown back to Jakarta by the military yesterday in three Hercules transport planes.

Indonesia: Rival PDI Leader 'Would Accept' Military Assistance

*BK2406083096 Hong Kong AFP in English
0806 GMT 24 Jun 96*

[FBIS Transcribed Text] Jakarta, June 24 (AFP) — The government-backed rebel leader of Indonesia's main opposition party said Monday he would accept help from the military and police to secure the party headquarters in Jakarta.

Suryadi, who deposed Indonesian Democratic Party (PDI) chairman Megawati Sukarnoputri at a rebel congress last week, said the new leadership would start work straight away, even without access to the party building.

"We are open to help from everyone. If the military wants to help us (enter the headquarters), it would be a good idea," he told AFP.

Supporters of Megawati, the 49-year-old daughter of Indonesia's founding president, Sukarno, are occupying the headquarters, where she held a rally on Sunday.

Megawati told some 1,500 supporters at the headquarters she remained the legitimate head of the party and pledged to fight the move to oust her.

"I am the lawful, legal and constitutional chairman of the PDI for the 1993-1998 period," Megawati told the rally.

On Monday, the crowd outside the building had dwindled to around 200 tired looking supporters.

There was tension at the weekend as rumours circulated that the military was planning to raid the offices to assist Suryadi.

Dozens of police and military, including mounted police and dogs, have guarded the PDI premises since last Thursday in a bid to prevent violence.

But a PDI source, who requested anonymity, said the Jakarta military command would try to mediate

between the rival factions rather than use force to enter the building. Military officials were unavailable for comment.

Suryadi said he hoped to meet President Suharto soon.

"We hope to meet President Suharto as soon as possible. As usual, the new leader of a party must also meet the chief of the armed forces (General Feisal Tanjung) and the Minister of the Interior (Yogie Memed)," Suryadi said.

Suharto gave his blessing to last week's rebel congress in Medan.

Megawati has asked PDI branches around the country to hold conferences to support her leadership.

"I hope she (Megawati) will not get this support. We have rules and order after the congress, and everyone must work in line with the decision of the congress and join the new leaders," Suryadi said.

The PDI, which enjoys considerable popular support because of Megawati's background, is seen as the only party that could challenge the ruling Golkar [Functional Group] in next year's elections.

But analysts said the split has weakened the party and reduced its ability to present a challenge to Golkar.

Thousands of Megawati supporters marched in Jakarta last Thursday demanding the break-up of the Medan congress. They clashed with security forces, leaving more than 100 injured.

Megawati has accused government agents of initiating rock throwing that led to Thursday's violent clash with security forces.

The PDI, along with Golkar, which has won all elections since 1971, and the Muslim-oriented United Development Party, are the only three political parties recognised by the government.

Indonesians will elect 425 of the 500 members of parliament in 1997. The remaining 75 seats are presidential appointments from the military, who are not allowed to vote in elections.

Megawati supporters have held rallies in Bandung, West Java, Blitar and Surabaya in East Java, and in Ujungpandang, South Sulawesi.

Indonesia: Editorial Considers Struggle for PDI Leadership

BK2406072496 Jakarta THE JAKARTA POST
in English 24 Jun 96 p 4

[Editorial: "PDI and Megawati"]

[FBIS Transcribed Text] As expected, last week's government-sponsored Indonesian Democratic Party (PDI) congress in Medan decided to remove Megawati Sukarnoputri from the chairmanship. The congress, organized by the party's breakaway members, elected Megawati's predecessor Suryadi as the new chairman. Thus, one can conclude that the congress — which has been declared illegal by the Megawati camp — could be considered a "success." It has clearly served its main purpose: to topple Megawati.

Meanwhile, dozens of pro-Megawati activists and security officers were injured during a bloody clash in Jakarta last Thursday. Last week also saw thousands of Megawati supporters in several cities staging rallies in support of her chairing the party despite threats by officials who have warned that anyone who tries to disrupt stability will be "crushed."

One cannot help but feel saddened by these developments. Where have all the noble principles of our political life, such as ethics, fairness, tolerance and brotherhood, gone? Aren't we all supposed to uphold the sacred principles delineated in our state ideology Pancasila and put musyawarah (deliberation) and mufakat (consensus) before anything else? And don't we all condemn the Machiavellian way of justifying the use of any means to reach a desired end as running counter to our value system?

The PDI affair leads to believe, much to our dismay, that nowadays our political ethics are deteriorating, if they have not already been totally forgotten by many of our officials and politicians. And much to our regret, those who are involved in this messy PDI affair seem, in their haste to oust Megawati, to have forgotten the long-term impact of their deeds on our embryonic democracy. They should have been aware that people are now better educated and can easily see what is behind this kick-Megawati-out campaign. They should also have been able to see the danger that the public might lose their confidence in the current system.

Evidence that this is happening exists in abundance. The unprecedented street demonstrations staged by thousands of Megawati's grassroots supporters in several cities in the last several days show that people are enraged by the contemptuous way in which she has been ousted. What is more interesting is how in the last several weeks Megawati has won open support from people

who are not PDI members — certainly an unprecedented phenomenon in our country's politics.

Megawati may lose the chairmanship of the party, but it is now quite apparent that instead of having been delegated to the back of the stage, as the plotters had planned, she has been elevated to the center stage of Indonesian politics and become a new "informal" leader. It is also obvious that the PDI congress in Medan will not stop the internal bickering within PDI but will instead deepen the rift between the pro-Megawati and anti-Megawati camps.

In the end, it may hurt PDI's performance in the general election next year, which analysts say is one of the targets of the plotters. There are also enough indications that this lamentable affair has, to a certain extent, even split the nation, at least its elite.

It is also apparent that Megawati is a victim of the current political system, which leaves a political party's legitimacy to the discretion of the government instead of the voters or the people. In this system, the government, which is officially the "supervisor" of all political organizations, has the power to choose which persons are acceptable to lead a certain organization and which are not. Without the government's consent, no one can become a party leader although he or she is constitutionally elected by the party's members. Megawati has tried to challenge the system by showing that she has the support of the majority of PDI's grassroots members, but her arguments have been largely ignored by the government.

It is this system which can turn a good boy into a bad boy and later into a good boy again as in the case of Suryadi. He was rejected by the government when he was renominated as PDI chairman in the 1994 [year as published] PDI congress in Medan, because he was then declared legally defective. Consequently, he lost the party's chairmanship. But last week he was declared a good boy again and was elected PDI chairman. Nothing is said about his being legally defective anymore. His future career will depend on how well he behaves.

What the final outcome of the PDI affair will be is still hard to see at this stage. Obviously, there will be prolonged tensions, which will surely disrupt the country's stability. More and more people can be expected to become disenchanted with the current system. The rumbles of disappointment will become stronger. As for Megawati, it is likely that she will have to fight a running battle. Unless something else happens — something that changes the political landscape of this country.

Philippines

Philippines President Views Role as Host of APEC Summit

BK2406062296 Manila PNA in English
1425 GMT 21 Jun 96

[Received via Internet]

[FBIS Transcribed Text] Manila, June 21 (PNA) — President Ramos today said the Asia-Pacific Economic Cooperation (APEC) summit this year in Manila and Subic will draw up and confirm the road map towards free and open trade, and a liberal investment environment in the Asia-Pacific region.

The Philippines, which hosts this year's APEC Ministerial Meeting and Leaders' Summit next November, and most of the working group meetings preparatory to the summit, is now extremely busy with preparations.

In Friday's address at the 98th Department of Foreign Affairs (DFA) anniversary, President Ramos said "our role as host of the APEC economic leaders meeting must not be reduced to mere compilation, harmonization of individual and collective action plan."

The president said he will make the Manila Action Plan for APEC (MAPA) happen and ensure that "our APEC chairmanship will cast an indelible mark that will be the Philippines' distinguished and lasting contribution to APEC."

The president again took the opportunity to stress the pivotal role the private business sector plays in APEC, being the "engine of growth and economic development in the Asia-Pacific."

Mr. Ramos, who attended in all three previous APEC leaders' meeting since 1993, said that as host of the 1996 APEC conference, "our chairmanship of APEC is an immense challenge and at the same time immense opportunity for our substantive and organizational abilities."

APEC's vision for a free and liberalized trade was created in Seattle, Washington in 1993. The United States was the host of the first APEC leaders' meeting.

Indonesia was the host of the second conference held in Bogor, Indonesia where the 18 economies of APEC made commitment for an open and free trade — 2010 for developed countries and 2020 for developing countries.

The president said that last year "in Osaka, Japan the Action agenda was decided and in Manila and Subic the road map towards free and open trade and

a liberal investment environment will be designed and confirmed."

The preparation for APEC conference in November has been in full swing since early last year.

Philippines: Enrile Rejects Integration of Entire MNLF Force

BK2106125896 *Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 21 Jun 96*

[FBIS Translated Text] The Armed Forces of the Philippines [AFP] has rejected a proposal to integrate the entire force of the Moro National Liberation Front [MNLF]. According to Senator Ernesto Maceda, the military forces should be trimmed rather than increased:

[Begin recording] [Correspondent Arnold Clavio] The AFP rejected outright the proposal by the MNLF that its 15,000 forces be integrated into the AFP. General Arturo Enrile, the AFP chief of staff, emerging from an over two-hour closed-door meeting with Senator Ernesto Maceda, stressed that the 15,000 MNLF mujahideen, or freedom fighters, are too much to be absorbed into the AFP. Enrile said that the acceptable number to be absorbed, as per the recommendation given by the Department of National Defense, should not exceed 5,000 MNLF regulars:

[Enrile, in English] The 15,000 is definitely, you know, a number which is very difficult to accept. We sort of recommended with a certain number be fixed — not more than 5,000 only.

[Clavio] Meanwhile, Senator Ernesto Maceda, chairman of the Senate Finance Committee, supported Enrile's rejection. Maceda said there are no funds to support the additional MNLF force in the AFP. He added there is even a plan to reduce the number of military men by 30,000:

[Maceda, in English] We have been recommending that the AFP trim by about 25,000-30,000 men. This proposal to integrate 15,000 runs against that because it means that you have to pay the salaries and make uniforms and everything else for 15,000 integrees.

[Clavio] The integration of the MNLF into the AFP is one of the most sensitive issues hindering the speedy resolution of the peace talks on Mindanao that started yesterday. [end recording]

Philippines: 'Solid Breakthrough' Reported in Moro Rebel Talks

BK2306104496 *Hong Kong AFP in English 1036 GMT 23 Jun 96*

[FBIS Transcribed Text] DAVAO, Philippines, June 23 (AFP) — President Fidel Ramos's government said Sunday that a "solid breakthrough" had been made in peace talks with Muslim guerrillas operating in the troubled southern region of Mindanao.

"I have been informed that a solid breakthrough has been achieved" in Davao with the agreement to establish the Southern Philippines Council for Peace and Development, Ramos said in Manila.

Government and Moro National Liberation Front (MNLF) negotiators announced at the end of three days of talks Sunday that they had reached "full consensus" in putting in place a transitional government to prepare for the creation of a Muslim autonomous region.

A joint statement also said they reached compromise on the creation of a regional police force and the integration of Muslim guerrillas into the military.

A working group will have to continue meeting to thrash out the details for the drafting of a final peace pact.

"This effectively resolves a most contentious political issue bugging the peace negotiations and hopefully paves the way for a final peace agreement in the near future," Ramos said in a statement.

MNLF chairman Nur Misuari who issued a statement after the talks said: "I think it is very safe to say that we are now getting closer and ever closer to our common objective of restoring a just, honourable and comprehensive peace."

Negotiators said they were confident they would come up with a final peace accord before the fourth and final round of formal talks in Jakarta later this year.

The MNLF launched a bloody separatist war in October 1972. It signed a ceasefire agreement brokered by the Organization of the Islamic Conference [OIC] in Tripoli, Libya in 1976, and shifted much of its efforts to the diplomatic front.

However, some 15,000 of its fighters have refused to disarm, leading to random clashes with the military and acts of banditry.

Ramos said many residents of Mindanao "have been caught in a cruel cycle of conflict and poverty," and that the compromise formula was "a bold step that opens a fresh path of hope for them, and I am confident it will work."

Misuari, based in Saudi Arabia, signed a new ceasefire with the Ramos government in Jakarta, Indonesia in 1993 and entered into fresh negotiations amid the rise of an extremist offshoot, the Abu Sayyaf, which is waging a terrorist campaign in the southern Philippines.

The two sides on Sunday said the talks succeeded due to the flexibility on both sides and the participation of OIC which has brokered the negotiations.

Libyan ambassador Rajab Azzarouk, a member of the OIC observer team at the talks, said earlier Sunday "there is no doubt" that a peace agreement will be reached in Jakarta.

Indonesia has hosted the last three rounds of talks as chairman of an OIC committee monitoring the Muslim problem in the southern Philippines.

The proposed council, whose chairmanship was offered to Misuari, is to last for three years to prepare for the setting up of the Muslim autonomous region composed of 14 provinces [words indistinct] cities in Mindanao through a plebiscite.

Misuari said he would consult his leaders on the offered job, which includes maintaining peace and coordinating investments and infrastructure projects in Mindanao.

Negotiators faced difficulties in the talks over Misuari's demand for a 20,000-strong police force composed of MNLF guerrillas under the council and on the qualifications and number of MNLF rebels to be integrated into the Philippine military.

Philippines: 'Major Positive Development' in Talks With MNLF

BK2406015096 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 23 Jun 96

[Italicized passages in English]

[FBIS Translated Text] The government and the Moro National Liberation Front [MNLF] have agreed on the establishment of the Southern Philippines Council for Peace and Development, or SPCPD, at the conclusion of their eighth mixed committee meeting in Davao City. Malacanang [presidential palace] has stated that the agreement is a major positive development in talks between the government and MNLF. Tina Panganiban has more details:

[Begin recording] [Panganiban] The eighth mixed committee between the government and the Moro National Liberation Front at noon yesterday agreed on three issues — the establishment of the Southern Philippines Council for Peace and Development, or SPCPD; the establishment of the internal security force; and the in-

tegration of several members of the MNLF forces into the Armed Forces of the Philippines [AFP]. According to Malacanang, this is a major development that will pave the way for a final peace agreement.

MNLF Chairman Nur Misuari had the following comments:

[Misuari] *Solid breakthrough. Yes. Is it solid, is it hollow?*

[Panganiban] The government has offered to let Misuari head the SPCPD, but he said the other MNLF leaders are still undecided. He added that even the number of MNLF forces to be integrated into the AFP and the internal security force has not yet been agreed upon:

[Misuari] *The important thing is the principle; the agreement on the establishment of that entity. So as for the... [pauses] What do you call this? That is negotiable.*

[Panganiban] According to North Cotabato Congressman Anthony Dequena, an adviser to the government peace panel, these issues must pass through the Congress and a plebiscite. Misuari opposes this. He says there are aspects of the agreement that the Congress does not need to approve, such as the establishment of the SPCPD:

[Misuari] There are many items there. *Definitely* it does not need *executive-legislative action*. Just the executive is needed, because this SPCPD, *it will exercise a derivative executive power; from the power of the president can be entrusted to it or can be exercised by it.*

[Panganiban] Misuari called those opposed to the MNLF's proposals narrow-minded:

[Misuari] *Well, basically these are people with vested interests or they have myopic, you know, mentality; they have, they are selfish. You know, selfish element, elements or maybe they are just confused and of course it is understood that there should be, there is probably some element of antipeace individuals there among them, maybe, peace, peace, peace is contradicting their interests, contradicting their perception in life.*

[Panganiban] Misuari stressed that he wants genuine peace. He called on Muslims and Christians in Mindanao to unite for the development of the region:

[Misuari, in progress]...and I wish to *continue the process of reconciliation with our Christian brothers and sisters and our indigenous Lumad or highlander brothers here in Mindanao and the islands. I wish that we have unity here, so we can face our common future, so we can face our culture and the future of our, you know, of our people here and prosperity.*

[Panganiban] Tina Panganiban, GMA Balita [News].
[end recording]

Philippines Senator: Communist Insurgents Protect Marijuana Farms

BK2406085396 Manila MANILA STANDARD
in English 13 Jun 96 p 2

[Report by Joem H. Macaspac]

[FBIS Transcribed Text] Big quantities of hashish are produced in makeshift laboratories in a tightly-guarded place in Northern Luzon known as the "Green Triangle."

Sen. Vicente Sotto III, one of three senators leading the fight against illegal drug syndicates in the country, said the Green Triangle, which borders the provinces of Benguet, Kalinga, and Mountain Province, has been tagged as the source of hashish and other illegal drugs since 1990.

Furnishing the Department of Interior and Local Government with the information he got from international agencies fighting the drug menace, Sotto said the police should now swoop down on the clandestine operations and stop them from further flooding Metro Manila and other highly urbanized cities with illegal drugs.

The syndicates operating the laboratories hired foreign chemists to produce hashish from marijuana. Hashish commands a bigger price than ordinary marijuana.

Sotto said the information was received after a huge shipment of marijuana was seized by police operatives recently. The shipment reportedly came from the triangle.

An official report of the Dangerous Drugs Board indicated of the 100 kilos of hashish seized by law enforcers, 40 kilos originated from these mountainous provinces, he said.

But law enforcers, Sotto said, continue to have difficulty in pointing out the locations of these drug farms which are accessible only through rugged mountain trails.

To make matters worse, these are areas guarded by communist insurgents who have become protectors of these marijuana farms, Sotto said.

Some of these rebels even grow marijuana themselves and sell them in Manila, he added.

Sotto said satellite photos showed at least 12 other provinces are big producers of marijuana.

These are La Union, Ifugao, Nueva Ecija, Nueva Vizcaya, Cebu, Bohol, Sulu, Davao Oriental, Davao del Sur, Cotabato, Sultan Kudarat, and Maguindanao.

Thailand

Thailand: Lawyer Faces Extradition Over U.S. Drug Charges

BK2206120796 Bangkok THAILAND TIMES
in English 22 Jun 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Bangkok — A Thai Court will extradite a well-known Thai lawyer accused of drug smuggling to face legal action in the United States in accordance with Washington's request.

Panung Khasukhon, 50, was sued on charges of trying to smuggle heroin to the United States and sell the illegal drug there. According to U.S. documents, Panung was allegedly collaborating with his gang to do the said crime in September 1994.

The United States in March requested Thailand to detain Panung so as to prevent a possible escape.

A request for Panung's extradition to face drug trafficking charges and stand trial in a U.S. court was issued by the United States last month.

Panung was caught at his house in Chatuchak district's Pinphatthanathani village in Bangkok last month together with three bank accounts and his passport which assured police investigators that they had found the person they were looking for.

The criminal court yesterday ordered the detention of Panung, pending extradition to the United States in accordance with the 1990 extradition treaty.

Panung will be released should the United States fails to submit the necessary document and evidence against the criminal to the Thai court within 60 days.

Former MP Thanong Siriprichaphong was the first person to be sent to the United States to face drug charges under the U.S.-Thai extradition treaty which was primarily used to bring Americans serving drugs sentences in Thailand back to the United States.

Thailand: Authorities on Developments in U.S. Shrimp Ban

BK2106105496 Bangkok NAEON in Thai
21 Jun 96 pp 1,16

[Unattributed report]

[FBIS Translated Text] Plotprasop Suratsawadi, director general of the Fisheries Department, has reported on the latest developments concerning Thailand's shrimp exports to the United States. He said that the Fisheries Department had been assured by U.S. Embassy contacts

of possible U.S. relaxation on the ban on imports of shrimp from Thailand. The United States will allow imports of shrimp that are caught by driftnets, which are not considered mechanical tools. The United States will also allow imports of sea shrimp caught by dragnets that are equipped with turtle exclusion devices [TED]. The Fisheries Department will issue certificates for sea shrimp that are caught with dragnets equipped with TED. Further talks on this matter will be held between Thailand and the United States in July.

The Fisheries Department has already issued certificates for 625 shipments of shrimp. The department and fishing operators are evaluating the exports of shrimp caught by driftnets. They are believed to be worth no less than 300 million baht.

Wilai Kiatsichat, president of the Processed Food Manufacturers Association, said that exports of shrimp to the United States had been interrupted since early May; however, she believes exports will resume within two months. The association, she said, has been preparing for resumption of such exports, especially of shrimp caught with driftnets that pose no threat to sea turtles. Hoping to solve the shrimp export problem, the association plans to buy Super-Shooter TED for fishing trawlers that are registered for shrimp exports to the United States. Each device would cost about 2,000 baht.

Thailand: PRC's Lu Ping Reassures Investors on Hong Kong

BK2206153396 Bangkok *THE NATION* in English
22 Jun 96 p B10

[Report by Ki Woo]

[FBIS Transcribed Text] In a convoy led by the patriarch of the Hong Kong branch of one of Thailand and Asia's leading financial families, Lu Ping, the director of China's Hong Kong and Macau Affairs Office, entered Bangkok Bank's 29th floor ballroom earlier this week.

Rabin Chan, elder brother of Bangkok Bank's Chatri Sophonphanit, in a rare Bangkok public appearance, accompanied the silver-haired Lu Ping, who was here to assure investors that Hong Kong will still be a good place to invest after June 30, 1997, when the colony reverts to China and becomes a Special Administrative Region (SAR) after more than a century and a half of British rule.

Most of Thailand's major Hong Kong and China investors attended in full force. Bunsong Sifuangfong and Central Department Store's Wanchai Chirathiwat were among the first Sino-Thai businessmen introduced by Rabin to Lu Ping. Later on, Thanakon Seriburi, of the

CP Group, reportedly China's largest single investor and Anan Kanchanaphat were seen chatting with Lu Ping.

Former prime minister Chatchai Chunhawan also exchanged greetings with Lu Ping.

In a thorough and comprehensive after-dinner speech, Lu Ping told the more than 200 hand-picked guests that he was in Bangkok to counter the many negative comments about Hong Kong's future, especially during these last 400 days of British sovereignty. "The questions raised by foreign investors may be a result of misunderstanding China's policy toward Hong Kong," he said.

After July 1, 1997, Lu Ping said Hong Kong will be ruled under the Basic Law hammered out by China and Britain in 1984 with the signing of the Sino-British Joint Declaration.

Under the Basic Law, Lu Ping said, Hong Kong people will be ruling Hong Kong after 1997, except for foreign affairs and defence which will be handled by the Central government. "Everything else will remain the same, the legal system, the existing lifestyle, the currency, the economic and financial policies," he said.

In 1997, Lu Ping envisioned a high degree of autonomy for Hong Kong. Under the Basic Law, Hong Kong would have its own legislature. He said no mainland provincial departments will be allowed to interfere in the daily affairs of the Hong Kong SAR. "It will have its own police force and customs authority, not subordinate to those of the mainland," he said.

In addition, Hong Kong will have an independent judiciary with its own final court of appeal. "Financially, it will also be independent, without having to contribute a single cent to the Central government because the Central government will not levy taxes in Hong Kong," he said.

Lu Ping said that the special one country, two systems concept has not been an easy sell to other government units in China. "I can tell you that we have spent enormous efforts explaining why Hong Kong should be treated differently," he said.

Since the founding of China's Hong Kong and Macau Affairs Office in 1978, Lu Ping has been personally involved in formulating his country's basic policies towards Hong Kong. "I took part in the drafting of the Basic Law," he said.

According to Lu Ping, as early as the spring of 1979, Deng Xiaoping told Lord Murray McLehose, then Hong Kong's governor, that Hong Kong will be treated by China as a special region with a special status.

"Deng said that by 1997, no matter how the Hong Kong question is resolved, the special status will be maintained," Lu Ping said.

Deng said for a considerable period of time, Hong Kong will be permitted to practice capitalism while China practised class socialism, Lu Ping added. "These words set the framework for the Chinese government's policy on Hong Kong."

In 1984, Deng again emphasised to the British Foreign Secretary that Hong Kong's prosperity and stability could not be maintained without a guarantee of its continued capitalist system. "He stressed that he was confident that the principle of one country two systems is workable," Lu Ping said.

Lu Ping said Deng's remarks were made after a great deal of research and consideration. "Before negotiations commenced between China and Britain on the question of Hong Kong, Deng personally met people from Hong Kong and heard their views," Lu Ping said.

As a result of these meetings, a special committee of which Lu Ping was a member was set up to analyse the factors leading to Hong Kong's economic success. "We wanted to isolate the conditions which would allow Hong Kong to preserve its current advantages and flourish after 1997," he said.

Thus, China decided on implementing the one country, two systems plan for Hong Kong. "This was not an easy decision, because the concept of having two different political, economic, social and legal systems in one country was an entirely new concept without any precedent," he said.

Lu Ping said in the past several months, he has been particularly perturbed by comments such as the "end of democracy in Hong Kong after 1997"; "no more rule of law after 1997"; "major civil service reshuffle after 1997"; and articles expounding "a tremendous loss of confidence in Hong Kong".

On the question of democracy in Hong Kong, he said the Basic Law clearly stipulates that the pace of democratisation will be conducted in a gradual and orderly manner — with universal suffrage as its ultimate aim.

"Under the Basic Law, Hong Kong with a fully elected legislature will be more democratic than ever. You must remember that prior to 1984, the British Governor appointed all legislative council members," he said.

He said the current hullabaloo, encouraged by Governor Chris Patten, of allowing Hong Kong's current legislature to continue after June 30, 1996, is a clear violation of the Basic Law. "The members of the last Legisla-

tive Council empowered by the British administration, could become members of the first legislative council of the Hong Kong SAR only on the condition that Britain and China could agree on the composition and method of electing the last Hong Kong legislative council," he said.

According to Lu Ping, Britain has reneged on the agreement and unilaterally changed the system in 1995 — in violation of the Basic Law. "The current legislature was elected in the violation of the basic law — it will have no legal basis after June 30, 1997," he said.

China, he said, has no option but to conduct new elections after June 30, 1997. "These elections will be conducted in conformity with the stipulations of the Basic Law and will be open and fair elections," he said.

Lu Ping said Hong Kong's legislative elections will be held within one year after July 1, 1997.

In the interim, a provisional legislature will be appointed by an electoral college of 400 Hong Kong citizens. "The provisional legislature will have power no more than one year," he said.

After 1997, Hong Kong will continue to abide by its current laws which will be different from those of the mainland. "Laws previously enforced in Hong Kong — common law, the rules of equity and ordinances — will be maintained," he said.

Under the Basic Law, the Hong Kong police will be operating under the same laws after 1997 and Chinese troops, which replace British troops in 1997 must abide by Hong Kong laws. Chinese troops, he said will not be permitted to meddle in Hong Kong's daily affairs. "The security of Hong Kong will be entirely in the hands of local police," he said.

Under the Joint Declaration of Basic Laws, Lu Ping said because Hong Kong's legal system is so different from China's existing legal system, Hong Kong judges, both Chinese and foreign will continue in office with the same salaries and seniority. "The only stipulation is that the Chief Justice of the High Court and Chief Justice of Final Court of Appeal shall be ethnic Chinese," he said.

The Basic Law also recognized that Hong Kong's 180,000 civil servants are a very important component of Hong Kong's success. "We are fully aware that civil servants are sometimes put in a rather difficult position when Britain refuses to cooperate with China on certain issues," Lu Ping said.

According to Lu Ping, everyone realises on July 1, 1997, the British will be leaving, but most Hong Kong civil servants will be staying on. The Chinese government

has made it clear that all Hong Kong civil servants are welcome to stay and no major reshuffles are planned. "I'm sure over 90 percent of civil servants will stay on after 1997," he said.

Referring to some foreign reports of a mass exodus of businesses and people from Hong Kong, Lu Ping said there is no relationship of these reports to what is really happening. "I have a lot of input from Hong Kong people and their message is quite clear — if stability continues, they are staying," he said.

To reassure Hong Kong residents, the government has announced special concessions.

All Hong Kong Chinese can retain their permanent resident status irrespective of whether they hold foreign passports or not, Lu Ping said. Foreign nationals who have been resident in Hong Kong for more than seven years and have chosen Hong Kong as their permanent home also can obtain permanent resident status.

At present, foreigners are not qualified as permanent residents — they have no voting rights, must obtain visas and must have work permits. "I believe this has met the needs of Hong Kong people and will pave the way for a stable Hong Kong," he said.

While, Lu Ping presented a refreshing view of Hong Kong's future from his government's point of view, the whole world will be waiting to see if the one country, two systems concept will work. The grand experiment begins in less than 400 days.

Thailand: Burma Seeks Full ASEAN Membership Within 2 Years

BK2206111396 Bangkok BANGKOK POST in English 22 Jun 96 p 7

[Report by Nutsara Sawatsawang]

[FBIS Transcribed Text] Burma is seeking to become a full member of ASEAN within two years, a Foreign Ministry official said yesterday.

"The Burmese government reaffirmed it wants to be an ASEAN observer this year and has strongly indicated that it will seek ASEAN membership in 1998," said Sukhum Ratsamithat, director-general of the ASEAN Department.

It is the first time Rangoon has offered a timeframe for joining the association, which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

But it has yet to officially inform ASEAN of its intention, Mr Sukhum added.

ASEAN leaders agreed during their fifth summit in Bangkok last December to expand membership to all ten Southeast Asian nations by 2000.

Laos and Cambodia, which are currently holding observer status, have officially informed the association they will seek membership next year.

Foreign Minister Annua Wirawan said recently that Burma will decide to join the grouping sooner than ASEAN expects.

"There are signs that Burma will join us before that (2000), which would be beneficial for the region as a whole and ASEAN country members," he said on June 11.

Burma will be an observer at the annual meeting of ASEAN foreign ministers due to begin in Jakarta on July 20.

Three days afterwards, Burma and India will join ASEAN and 12 other countries in security discussions under the ASEAN Regional Forum [ARF].

China, the United States, Japan, South Korea, the European Union, Australia, New Zealand and Russia are among other participants in the ARF.

India early this year was admitted as a full dialogue partner of ASEAN, and China next month is to attain the same status, allowing for more economic and security cooperation with the grouping.

They will join seven longstanding dialogue partners in discussing with ASEAN the latest updates on the ASEAN Free Trade Area, the World Trade Organisation, intellectual property rights, and ASEAN-Mekong development plans.

The US, Australia, New Zealand, Canada, the European Union, Japan and South Korea are the long-time dialogue partners.

Russia applied to become a full dialogue partner in December, Mr Sukhum noted.

The meeting of ASEAN foreign ministers will discuss candidates for the post of ASEAN secretary-general and decide on the new ASEAN flag, Mr Sukhum said.

The strongest candidate for ASEAN secretary-general — to succeed incumbent Ajit Singh, whose term expires next year — is Philippines Deputy Foreign Minister Rod Severino.

The new flag, being planned for a 10-strong ASEAN, will carry 10 bundles of rice instead of the current seven, an ASEAN source said.

The only remaining sticking point is its colour.

Thailand: Banhan Returns From Visits to Laos, Cambodia

BK2106150496 Bangkok Radio Thailand Network in Thai 1200 GMT 21 Jun 96

[FBIS Translated Text] The 18-21 June visit to the Lao People's Democratic Republic and the Kingdom of Cambodia by Prime Minister Banhan Sinlapa-acha and his delegation has contributed to a certain extent to a better understanding of the border problems and protection for Thai businessmen investing in those countries.

The prime minister arrived at the Bangkok international airport this evening and reported that during his trip, he called upon Laos and Cambodia to free Thai prisoners detained in both countries as a gesture of cooperation to mark the 50th anniversary of his majesty the king's ascension to the throne. The prime minister said that both countries agreed to take up Thailand's request soon.

The prime minister said that during his visit to Laos, he raised the problem of inconveniences at the Thai-Lao Friendship Bridge and the high tolls collected. He also mentioned conflicts between Thai and Lao authorities in the border provinces and the discontent of the governors of Lao provinces bordering Thailand. He proposed a general meeting of Thai and Lao provincial governors in Thailand in August. The prime minister also proposed that Thailand and Laos be allowed the use of each country to transport goods to a third country:

[Begin Banhan recording] On the transportation of transit goods, we proposed that each country should allow transit goods to a third country. For example, Thailand should be allowed to transit goods through Laos to China, and Laos should be able to transit goods through Thailand to Malaysia and Singapore. This is one thing. I also brought up the boundary problem, a sensitive and longstanding issue. I proposed that the two foreign ministers be assigned to hold discussions to solve the problem. There are several points of contention concerning boundary demarcation that we must settle. [end recording]

The prime minister also proposed the setting up of a Thai-Lao committee for the protection of businessmen in both countries:

[Begin Banhan recording] We proposed the setting up of a Thai-Lao cooperation committee. In particular, we want protection for Thai businessmen who have investment projects in Laos. There are several investment projects by Thai businessmen amounting to approximately 50 billion baht, including banking and hotel businesses and power plant construction projects. The Lao

Government delegation pledged to look into the matter. [end recording]

About his visit to the Kingdom of Cambodia and discussions with Cambodia's co-prime ministers, Prime Minister Banhan said he learned that the two prime ministers have a similar view that their duty is to bring durable stability to Cambodia:

[Begin Banhan recording] I told them of our concern — of the concern of the ASEAN grouping — about the problem of unity among Cambodian leaders, as it could affect international relations and the confidence of businessmen investing in Cambodia. The two Cambodian prime ministers gave us assurances that there is no problem in that regard. They said that although there are conflicts of opinion, these conflicts can be resolved. [end recording]

Thailand: Prime Minister's Laos, Cambodia Visits Praised

BK2406034096 Bangkok BANGKOK POST in English 24 Jun 96 p 3

[Report by Phanrawi Tansupphaphon]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha did more than pay courtesy calls on his hosts during his June 19-21 visits to Laos and Cambodia. But how much more, only time and his insistence on follow-up work will tell.

According to officials and observers on the mission, the Prime Minister did well by raising difficult issues like border demarcation, goods transit, trade irregularities and immigration.

He pressed for Thais and Cambodians to discuss the two countries' overlapping zone in the Gulf of Thailand, and to sort out questions about their land border.

While Phnom Penh seemed keen on the idea of resolving the overlapping zone, effectively by shelving the sovereignty question and setting up a joint development area, it did not react to the Prime Minister's call for work on the land border.

In Laos, it was President Nourak Phoumsavan who urged settlement of questions regarding demarcation of the two countries' 1,700 kilometre-long border.

That the two countries agreed to discuss the matter at the level of foreign ministers in September is a major step forward, point out sources. Mr Banhan further proposed that leaders take up issues that the ministers fail to resolve.

Thailand needs to speed up solution of these problems before Laos and Cambodia become full members of the

Association of Southeast Asian Nations in 1997, said Deputy Permanent Secretary for Foreign Affairs Sarot Chawwasawat.

On the sticky issue of goods transit, Mr Banhan proposed amending the 1978 agreement which allows Thailand to transport its goods to China and Vietnam through Laos, and for Laos to use Thailand for passage of goods to Malaysia and Singapore.

The idea is to "promote" economic development in the area as well as Thailand as the "hub" of transport and communications in Southeast Asia, read a press release.

On immigration, Mr Banhan cited the hitches at the Thai-Lao Friendship bridge opened two years ago as cause for speedy solution of lingering issues.

"The Prime Minister argued that the problems, which are preventing full use of what is the first bridge between Thailand and Laos, brought into question why Thailand should consider building a second or third bridge," said an official.

At present, vehicles from Thailand are not allowed to cross into Laos, with Thai tourists having to change into Lao-registered cars before they can enter the country.

Laos's Prime Minister Khamtai Siphandon promised to have concerned officials look into the matter, and the two countries' transport and communications ministries discussed ways of settling problems of insurance and registration plates.

To thrash out a number of related problems, Mr Banhan proposed holding a meeting of Thai and Lao governors from border provinces.

"I will chair the meeting taking place in August in Phatthaya, and Mr Khamtai has agreed to attend it," Mr Banhan told reporters after his return to Bangkok on Friday.

While in Laos, Mr Banhan also inspected Luang Prabang Airport which has been partly revamped with 50 million baht in grant aid from Thailand.

But Thailand gave no answer as to whether it would give, or loan, another 100 million baht for further development.

The Prime Minister's visits to Laos and Cambodia did not only occasion discussion of issues of mutual interest, but also gave him a chance to plead for Thais in trouble in Laos, and to speak his mind on Cambodia's political situation.

Mr Banhan asked both Lao President Nouhak and Prime Minister Khamtai to look to the 50th anniversary of His Majesty the King's accession to the throne as an

occasion to help secure the release of Thais being detained in Laos.

Though no light was shed on the exact number of Thais being held, Mr Nouhak assured the Prime Minister that the problem would be solved step by step, and in good time.

Earlier reports said between 35-100 Thais were being held in Laos, many of them on illegal entry charges. But there has been no progress for about a year despite inquiries from the Thai side.

Mr Banhan's call on Cambodian co-prime ministers Prince Norodom Ranariddh and Hun Sen to bury their political differences is seen to have been quite a bold move.

"In joining the world stage and ASEAN, stability in the country is an important issue," said Mr Banhan drawing from his Cambodian hosts' pledges to refrain from use of force to solve their disputes.

Thailand: Crackdown on VAT Fraud Blamed for Export Decline

BK2206123196 Bangkok BANGKOK POST in English 22 Jun 96 p 15

[Report by Somphon Thapanachai and Wichit Sirithawiphon]

[FBIS Transcribed Text] Stringent measures to combat fraudulent value-added tax [VAT] refunds have been blamed for lower export figures in the first quarter, particularly in the garment sector.

Because the Revenue Department has cracked down on VAT fraud, this year's export figures contain less "fake" exports, while figures from the same period last year included more fabricated exports claimed by companies looking for VAT refunds.

Department Director-general Captain Suchat Chaowisit said the department's tighter controls had also led to a slowdown in genuine exports since the paperwork process was longer and the slower VAT refunds had hurt some legitimate exporters.

He stressed that figures for last year were also inflated because a large number of exporters, especially garment exporters, had claimed export volumes that were much higher than reality in a bid to get high VAT returns.

Data from the Business Economics Department showed that exports from the Thai garment industry had totalled 20,214.54 million baht in the first quarter, down 23.69% from the 26,488.86 million baht recorded in the same period in 1995.

However, Capt Suchat said the tighter regulations would not hurt honest operators in the future because the department had recently passed new regulations that would speed up VAT refunds by requiring all operators to show their letters of credit (L/C) to get the money.

The department is now stepping up cooperation with the Customs Department to suppress tax fraud, with both working to stamp out counterfeit bills of lading used to claim the refund.

A source from the Thai Garment Manufacturers Association admitted that the dip in garment exports in the first quarter was partly the result of the Revenue Department's crackdown.

He said the moves had mainly hit the exports of small- and medium-scale industries catering to the low-end market.

Exports of Thai garments to major markets such as the United States, Japan and the European Union still increased, but more slowly than last year, Business Economics Department data revealed.

But exports to minor markets in the Middle East and Eastern Europe fell sharply in the first quarter.

The latter were all major markets for the small- and medium-scale industries that bore the brunt of the Revenue Department's crackdown, the source said.

Some 33 garment exporters have recently been accused by the department of using false documents to claim more than one billion baht in exports.

Countries that showed the steepest drop in Thai garment imports during the period were: Singapore (down 83%), Russia (73%), Poland (64.7%) the United Arab Emirates (34.65%), Kuwait (28.18%), Jordan (26.13%), Switzerland (20.39%), Canada (16.42%), Saudi Arabia (16.41%), Belgium (15.18%), Lebanon (10.25%), and France (3.75%).

Garment exports to major markets such as Japan, Hong Kong, and the US continued to enjoy strong performances, with exports to the US (up 49%), Japan (8.37%), Germany (2.26%), Netherlands (6.62%), Spain (23.29%), United Kingdom (20%) and Hong Kong (23.12%).

Meanwhile, the Thai Chamber of Commerce yesterday called a meeting of its economic committee to discuss the issue of falling exports.

Dr Wirachai Techawichit said after the meeting that the private sector believed the new VAT refund policy had hurt it and wanted the Government to allow companies to use bank guarantees for VAT payment instead of requiring cash.

He said the private sector would also continue to push for tariff reductions on imports of many types of raw materials. Import duties are still in the 20-60% range.

The Export Development Committee chaired by Deputy Prime Minister Amnuai Wirawan will meet with the private sector on Monday to discuss its grievances.

Thailand: 'Close Watch' Kept on Members of al-Arqam Sect

BK2406003896 Bangkok THE SUNDAY POST in English 23 Jun 96 p 3

[Unattributed report]

[FBIS Transcribed Text] A close watch is being kept on members of the al-Arqam Muslim sect to preempt sabotage, a Police Department source said.

The move follows a request from Malaysian authorities who believe sect leader Abu Ashaari has contacted leading figures in the terrorist movement to escape to Thailand.

Sect members in question reportedly operate in Satun, Phuket and Chiang Mai provinces.

Abu Ashaari was arrested with seven other alleged terrorists by Malaysian police in 1994. He has been under house arrest since then.

Thailand: University Lecturer Criticizes Banhan Government

BK2306152496 Bangkok PHUCHATKAN in Thai 22 Jun 96 p 2

[Unattributed report]

[FBIS Translated Text] Thirayut Bunmi, a lecturer of Thammasat University's Faculty of Sociology and Anthropology, briefed a news conference on 21 June regarding his analysis of the Thai political and social situation. He said that "the shop manager [referring to Prime Minister Banhan Sinlapa-acha] had lost his credit." Certain local politicians who have become economically wealthy and have been able to dominate the elections in their constituencies have begun to act like political hooligans, not thinking about listening to and depending on the others.

Thirayut said that Banhan would face various problems when he lost his credit and was abandoned by his own partners. For example, employees will ask for wage increases, and the people will give him no more chances. What we are witnessing in this government is hectic scrambling to demand unpaid dividends. Some are even pulling out all their money and interest. Thirayut cited the controversial tollway, arms procurement, satellite,

telephone, and expressways issues. Some Chat Thai members have been implicated in the Bangkok Bank of Commerce (BBC) embezzlement scandal. This is a matter of robbing the nation, but Banhan's dependence on the people involved in the case prevents him from seeing justice done. Thirayut also said that it was difficult for the Prachakon Thai party to rejoin the coalition.

Predicting the political trend, Thirayut said that the government would go under as early as October. If the prime minister still manages to survive beyond that, his image will hit rock bottom by next March when parliament reconvenes. This is because of the conflicts within the government and within the coalition parties. The prime minister's choices are to resign or to dissolve the House of Representatives. Thirayut thinks, however, that the prime minister would rather dissolve the House of Representatives.

Thirayut said that capitalist groups, especially big businessmen, had turned to support politics. He predicted that there would be calls from the society and the military to adopt measures to control these groups. The best way to solve this problem is through political reform rather than a coup d'etat. It is hard for anybody to make a definite prediction regarding the current political situation. A small-scale cabinet reshuffle will affect government stability because the present ministers will still remain in the cabinet. A major reshuffle, by bringing in the Chat Phatthana Party, may create conflicts between the New Aspiration Party and the Chat Phatthana Party, or between the Chat Thai Party and the Chat Phatthana Party.

Based on his political assessments, Thirayut said that more worrying was the condition of the country, not least in terms of the economy. People have begun to question the roles of the country's social and political institutions. Corruption has become more sophisticated, with businessmen initiating projects, bureaucrats preparing details and politicians approving them so that they all share the benefits. Furthermore, politicians will become the monopolizing groups in business, such as in construction and telecommunications. So, there will be more vote buying in future elections. Needy people's dependence on financial help will be more apparent. The society will be in a situation in which some people take advantage of others, accept bad practices, and lack principles and disciplines. The reputation of individuals and institutions will deteriorate. People in the society will appreciate ways to get rich quick and will accept bad practices. There may be similar cases like the BBC scandal, but they have not yet emerged.

Thailand: Defense Council Discusses Satellite Project, Budget

*BK2106145496 Bangkok NAE0 NA in Thai
21 Jun 96 pp 1, 6*

[Unattributed report]

[FBIS Translated Text] A correspondent reported on the results of the Defense Council meeting chaired by General Chawalit Yongchaiyut, deputy prime minister and minister of defense, on 20 June. The meeting was attended by commanders of all the armed forces and lasted two hours.

After the meeting, Gen. Chawalit reported that the military satellite project was discussed during the meeting. The person in charge explained how the project is necessary because it concerns space and will be very important in the future. The official said that Thailand, and especially its armed forces, are still very far behind other countries and thus will have to be well prepared for the future.

Asked if the military satellite project will be pushed for approval in time for FY 1997, the defense minister said that was not the point. The point was to provide further information on the project to the meeting. The issue must be carried out legitimately. He said he submitted the project to the cabinet for approval in principle three months ago but so far the issue has not been considered. He will therefore let it be handled accordingly.

Regarding the military budget, Gen. Chawalit said the Defense Council will have those who are keen about increasing the budget to explain further. The military budget will henceforth be more transparent to the public and there is no problem with that. More details will be given this year, and next year written documents and details will also be provided. The budget allocation for the armed forces is not the same as the other civil service agencies. The armed forces budget allocation will be improved but cannot be totally disclosed to the public because some parts concern national security.

An informed source disclosed that during the Defense Council meeting, Lieutenant Gen. Montri Sathaphon, director of the National Defense Telecommunications Center, as assigned by Gen. Chawalit, informed the meeting of the progress of the military satellite project. He explained how the project is beneficial and necessary. He stipulated that before the satellite is acquired, the military must request rental of the transmission band, or orbit band, from the International Telecommunications Union, or ITU. The Cabinet has not yet agreed in principle for the armed forces to have a satellite. As a result, the appointed working committee cannot do its

work. Everything is at a standstill; no one works at the office. The committee was set up for nothing, he said.

According to the same informed source, Lt. Gen. Montri proposed at the meeting that in order to lessen public suspicion and criticism, the Defense Ministry should organize open bidding for this project. As the project requires a huge budget and the government will certainly not be able to afford it, it is possible that the military satellite project will be carried out under a joint venture with the private sector. Each side will put down half of the total investment so the government will spend less.

Regarding this, Gen. Chawalit added to the meeting by citing the case of the Education Ministry renting the transmission band of the ThaiCom satellite. He said the rental rate is 100 million baht a year but may increase to 1 billion baht a year in the future. Therefore, if the government does not want to spend that much, it must allow the private sector to participate in the project. To do so, the government will propose the amendment of various bills concerning joint investment between the government and private sectors.

"A satellite at a distance of 400 km will help us monitor the situation along the border without dispatching a large number of troops to these areas. It will also be able to tell who the enemy is. We must therefore improve our personnel in the armed forces to match the technology," the informed source cited the defense minister as saying.

The policy to cut the regular budget to 40 percent of its size must be implemented to make room for an increase in the investment budget, such as a budget for arms purchases. If possible, the regular budget and investment budget should be set at rates of 30 percent to 70 percent, concluded the informed source.

Thailand: Column Faults Government's Economic Management

BK2206100196 Bangkok THAI RAT in Thai
20 Jun 96 p 5

[Column by "Lom Plianthit" [Changing Wind]: "Every Aspect of the Economy Fails"]

[FBIS Translated Text] It is hardly believable that the Thai economy, after recording continued growth for the past decade, could fail in just 10 months as a result of faulty fiscal policy of former Finance Minister Surakiat Sathianthai and current Bank of Thailand Governor Wichit Suphinit. Today Prime Minister Banhan Sinlapachacha has awakened and realized the magnitude of the problem after having been hoodwinked by "rosy economic figures" for nearly a full year.

I wrote many times to remind the ex-finance minister and central bank governor of the problem, but my good intentions were dismissed as an attempt to shake their seats. They were too intoxicated by power until the export growth — 25.7 percent in 1995 — fell to 8.6 percent in the first four months of this year, the lowest figure in eight years.

The export figures could not be effectively concealed or distorted by the government agencies concerned — the central bank, the Commerce Ministry, and the Finance Ministry — because the private sector knew what they were, being the exporting party. The government agencies, however, were able to manufacture their own inflation and economic growth figures that have in turn boomeranged to damage the country seriously.

Although it is too late as far as every aspect of our economy is concerned, I am relieved that the prime minister has accepted the facts and begun to take remedial action. The effectiveness of the remedies depends on the personnel the prime minister puts in place to carry them out, including whether they are capable or mere sycophants.

It is a joke that the agencies concerned — the Customs Department, Finance Ministry, central bank, and Commerce Ministry — knew nothing and never told the government about the export decline that went on for four consecutive months. Exporters were screaming for four months, but only when the export crisis arose was concern expressed by the government and instructions given to find the causes of the export decline. Is this the way to administer the country?

The Industrial Finance Corporation of Thailand, which has direct contact with industrial manufacturers, gave the figures yesterday to emphasize the damage that has occurred in the past four months. It said industrial production declined from 14.9 percent to 7.6 percent during the period. It gave the alarming projection that the annual export growth will be 13.5 percent, nearly a 50 percent decline from 1995's 24.3 percent growth. It projected that the trade deficit will rise from 379 billion baht to 439 billion baht and the current account deficit will grow to 380 billion baht from 336 billion baht.

These figures reflect the economic damage caused by the novice and unethical economic managers who worked to please politicians and ignored their responsibilities and duties.

I think Thailand is fortunate that the prime minister has finally awakened. Realizing the approaching disaster, he has appointed a team to oversee the overall economic policies. He has instructed the Finance Ministry to pressure the central bank to cut loan interest rates

between 0.5 and 1 percent to boost investment and the Revenue Department to cut corporate tax from 30 percent to 25-27 percent to promote investment and broaden the tax base to make up for the decline in collected tax.

Mr. Prime Minister, the damage to the economic system requires major surgery. The whole team whose management failed must be replaced. The new team must have the required abilities, regardless of its previous affiliation. If the country goes bankrupt, all 60 million people will be hurt, not just certain people.

Vietnam

SRV: 'Source' Says Central Committee Members Begin Closed-Door Meeting

BK2206085996 Hong Kong AFP in English
0407 GMT 22 Jun 96

[FBIS Transcribed Text] Hanoi, June 22 (AFP) — Members of the Central Committee of Vietnam's ruling Communist Party gathered here Saturday for a closed-door meeting ahead of a full congress that opens next week, a source said.

Some 160 committee members met in the main hall in Ba Dinh Square, which was hung with huge hammer and sickle banners.

Red and gold banners have been put up around the square carrying slogans proclaiming the congress as "continuing economic renovation, for the cause of construction and for the defence of a socialist Vietnam."

Police sealed off roads into the massive plaza that is ringed by Ba Dinh Hall, the headquarters of the Communist Party and the mausoleum of Ho Chi Minh. Large number of black cars with tinted windows signalled the presence of the country's leaders.

Security was tight in Hanoi with ambulances and firetrucks on standby nearby. The normally busy square was deserted except for police.

No announcement has been made of the pre-congress meeting which is expected to put the finishing touches to preparations for the gathering of around 1,000 party delegates that runs from June 28-July 1.

According to Vietnamese sources, the party has not definitively settled the key issue of choosing a new leadership for the top posts occupied by party General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet.

Next week around a thousand delegates from provinces and various social groups will meet in Ba Dinh Hall to approve policy outlines for the next five years and vote for a new Central Committee.

The Central Committee will vote in a new Politburo, the key party body that makes all major decisions, and leaders to fill the top posts. The president and prime minister will be formally selected at a session of the National Assembly after the congress.

Buoyed by Vietnam's economic successes, the party is not expected to make radical shifts in policies but is likely to bring in younger party members to the Central Committee and the Politburo.

SRV: Feasibility Study Conducted To Build Transmission Line

BK2406084996 Hanoi VNA in English
0650 GMT 24 Jun 96

[FBIS Transcribed Text] Hanoi VNA June 24 — A feasibility study is being conducted for the building of another 500-kv transmission line in Vietnam, Mr. Truong Bao Ngoc, deputy director-general of the Electricity of Vietnam (EVN) was quoted as saying recently.

The second 500-kv line will extend from Pleiku in the central highlands to Phu Lam in Ho Chi Minh City, the last section of the first north-south 500-kv transmission line which was built more than two years ago.

The extension line will cover a 500-km distance and is estimated to cost USD120-130 million. It will be built to transmit electricity from the Yaly 720-mw hydro-electric power plant now under construction in Gia Lai Province of the central highlands to Ho Chi Minh City.

Work will start on the construction of the new line soon after the approval of the government for completion by 1999, the year when the Yaly Power Plant is commissioned.

By the end of last May, the north-south transmission line had fed the central and southern regions with more than 4.85 mwh of electricity generated by the Hoa Binh hydro-electric power plant, the largest in Vietnam, built on the da (black) in the north, in the early 1980's with Soviet assistance.

Other sources from the EVN say that five foreign investors have applied to supply 12,000 tons of steel of various kinds to build 110-kv and 220-kv power lines across the country as outlined in the 1996-97 plan to build and upgrade the national electricity grid.

According to forecasts, Vietnam will need electricity output of 30 billion kwh in the period between now and the year 2000. The Yali plant, and other power plants such as Song Hinh and Phu My (both in the south) are under construction as part of efforts to achieve required output.

Australia

Australia: Two Indonesian Vessels Detained for Illegal Fishing

BK2406072696 Melbourne Radio Australia
in English 0500 GMT 24 Jun 96

[FBIS Transcribed Text] An Australian patrol boat has escorted two Indonesian fishing vessels into Darwin after the Indonesians were discovered inside Australian waters. The defense forces say the two Indonesian boats with 21 crew were found north of Melville Island, more than 40 nautical miles inside Australia's fishing zone. The boats and their crews have been handed over to the Australian Fisheries Management Authority for investigations into possible breaches of fisheries legislation.

Papua New Guinea

Papua New Guinea: Officers Threaten Bougainville Transitional Premier

BK2406151896 (Internet) Australian Broadcasting Corporation Online WWW in English
0755 GMT 24 Jun 96

[FBIS Transcribed Text] Bougainville's Transitional Premier Theodore Miriung says he's been told by senior military officers that their troops might shoot him, if the Papua New Guinea Defence (PNG) Force suffers casualties.

Mr Miriung also says his administration has no money to feed people fleeing the potential combat between PNG and the Bougainville Revolutionary Army, in the mountains of south-central Bougainville.

He says he doesn't know if any have deserted their villages as the PNG military has told them to in radio broadcasts, and says even if they have the Government will not have any money to look after them.

The PNG Tactical Commander has told the Premier that's not the military's problem.

Papua New Guinea: Article Views Bougainville Conflict

BK2206122196 Sydney THE SYDNEY MORNING HERALD in English 22 Jun 96

[Article by Craig Skehan: "War On Our Doorstep" — Received via Internet]

[FBIS Transcribed Text] So much misery, so close to home. It has dragged on for eight years. Will the military offensive by the Papua New Guinea (PNG) Defence Force under way on the secessionist island of Bougainville prove to be a bloody finale? Or further

evidence of the inability of the combatants and the region and international bodies to break the bitter spiral that has dragged down so many civilian innocents?

The lack of resolve to help stem the civil strife arguably constitutes Australia's most profound foreign policy failure since our involvement in the Vietnam War.

More than 200 PNG soldiers are dead; a steady stream of coffins is being flown home to grieving relatives. Some of the soldiers had been driving vehicles along the dusty roads of the volcanic, coral-fringed island. The crack of a rebel's firearm made them statistics in what the Prime Minister, Sir Julius Chan, has branded a dirty snipers' war. For other soldiers, death came out of the blue when they were performing simple tasks, such as washing clothes at a riverbank. Perhaps more than a thousand civilian lives have been lost, mostly the very old and the very young — many from what should have been curable diseases, such as dysentery, whooping cough and diarrhoea.

An estimated 35,000 people — out of a total population for the province of about 170,000 — have been housed in Government "care centres". Now police notices have directed thousands more villagers in potential combat zones to move to these centres, creating new health risks from overcrowding.

During the past week, it became clear that PNG was planning a significant operation on Bougainville. On Thursday [20 June], the Government announced that "Operation High Speed" had begun, involving about 1,300 members of the security forces. The tactic is to try to trap up to 400 members of the Bougainville Revolutionary Army (BRA) in a pincer movement into central and southern areas of the island. At the same time, sea and land forces have been positioned to block traditional escape routes to the neighbouring Solomon Islands. The terrain is rugged and the rebels are skilled in techniques of hiding in order to hit back with sniper fire and ambushes. On the first day of fighting yesterday, BRA sources said 13 rebels had been killed. PNG officials in Port Moresby confirmed there had been casualties, but said numbers were not known.

Since 1990, Amnesty International has been documenting human rights violations by Government troops and guerillas of the BRA, including extrajudicial killings, torture and rape. Australia has been dragged directly into controversy on numerous occasions. There were the Australian Government-supplied Iroquois helicopters used as platforms for automatic weapons and also to dump the bodies of murdered BRA sympathisers into the sea. And official Australian sources say one senior Australian military man was secretly recalled from PNG

by the former Labor Government when he became directly involved in advising the PNG Defence Force on tactics to counter the BRA insurgency.

It was the pre-1975 independence Australian administration that gave the go-ahead for CRA's giant open-cut copper mine at Panguna. For a new nation, the mine provided a significant proportion of Government income and foreign earnings.

But, although it had its own provincial government and a development corporation, disputes festered between Panguna clans and families over the fairness of royalties, as well as over land and environmental damage. By 1990, the agenda broadened to independence, and sabotage of the mine was seen as a means to achieve that end. A former officer of the PNG Defence Force, Sam Kauona, trained in Australia in the use of explosives, blew up power pylons at the mine, which was subsequently closed. Since then, there has been a pattern of ambushes, Government raids, horrendous human rights violations, intermittent peace talks which turned out to be false dawns, and usually botched military offensives.

The Prime Minister in the early period of the conflict was Rabbie Namaliu, a compassionate man who was bullied by military hawks into maintaining a blockade of Bougainville. The siege shut out medical supplies, which took a heavy toll on the most vulnerable. Morale among ordinary people took a hammering, but hotheads in the BRA fared better, many taking what they needed at the point of a gun.

The next Prime Minister, Paias Wingti, had an initial reservoir of goodwill from moderate secessionist elements, but this was allowed to dissipate. Critics argue that the elder statesman who became Foreign Minister, Sir Michael Somare, could and should have worked harder to stem the tragedy. When Sir Julius Chan, a part-Chinese millionaire, returned for his second stint as Prime Minister in 1994, he already had experience as Foreign Minister in dealing with the personalities and interest groups on Bougainville.

On September 2 of that year, Sir Julius flew to Honiara, capital of the neighbouring Solomon Islands, to meet Kauona and talk peace. A central aim was to organise substantive talks for the following month involving a wide range of interests on Bougainville. Kauona, then aged 32, was relieved to be temporarily away from the social and psychological pressure cooker that his home island had become. There was tension on the PNG Government side. During the previous month on Bougainville, three PNG soldiers were killed and the commander of the PNG Defence Force, Lieutenant-Colonel (now Brigadier) Jerry Singirok, was shot in a short-lived, pyrrhic victory — recapturing the mine area.

Nonetheless, in Honiara, Sir Julius described Kauona as a person of integrity and said a healing process had begun. The issue of Bougainville's future political status was sidestepped.

The October talks, arranged with much fanfare at a high school in the former Bougainville provincial capital, Arawa, fell apart. One BRA man was allegedly shot by security forces on his way to the meeting and for this and other reasons the BRA leadership failed to turn up. The then Australian Prime Minister, Paul Keating, had provided financial and logistical backing for a regional security force to secure the venue, all to no avail. The then Foreign Minister, Gareth Evans, expressed "extreme disappointment".

More killings immediately followed. Some BRA leaders split from the cause, but enough of the hard core remained to ensure that the nightmare continued. In January 1995, Pope John Paul, during a visit to PNG, called for Bougainvilleans who felt they had been unfairly treated to remove bitterness from their hearts and for those unjustly carrying arms to lay them down.

By the end of month, there was a glimmer of hope. More than 20,000 children were expected to start going to school, many of them for the first time. February saw the only commercial aircraft on the island shot at. A civilian passenger died and air services were cancelled. While a BRA spokesman based in Honiara, Martin Miriori, was warning that such actions would continue, the secessionists were making complaints about the PNG Government to the United Nations Commission on Human Rights in Geneva. In March, the UN Secretary-General, Butrus Butrus-Ghali, said he would not be appointing a special representative to mediate on Bougainville as no progress was being made towards solving the conflict.

The PNG Government established a Bougainville Transitional Government but the BRA declined to join it. The Australian Council for Overseas Aid, which represents non-government aid groups, compared the situation on Bougainville with allegations of human rights violations around the giant American Freeport mine in Indonesian-ruled Irian Jaya, which has a 700-kilometre land border with PNG.

Various cease-fires proved ineffective. The Australian Government sponsored peace talks in Cairns during August and December last year involving PNG Government representatives and top-level officials of the BRA.

Then came a sequence of events that destroyed any lingering optimism and fuelled an escalation of hostilities. The BRA leaders, including Kauona and Miriori, were given safe passage from Honiara to Cairns by Australia.

But, after the December meeting in Cairns, the large group decided to stay around in Honiara for rest and recreation, delaying their return to Bougainville. Taking a circuitous route, the BRA contingent eventually arrived back on the South-East coast of the island. However, in contravention of cease-fire terms, the PNG military were there to challenge them and attempt to search their boat for weapons. There was a firefight, but the BRA people had cover and there were no injuries.

PNG suggested the other side was in breach for not returning from the talks under an agreed timetable and conditions. The upshot of the clash was destruction of the tentative trust built in Queensland. One of the most ruthless men of the BRA went on the attack. Ishmael Toroama is said by reliable sources to have had a leading hand in ambushes which, in the early part of this year, claimed the lives of 17 PNG soldiers.

The good time in Honiara came with a high cost. Peace no longer had a chance. A determined Sir Julius started gearing up for Operation High Speed, which commenced on Thursday. The provocation was not a war, he said, but a series of offences by dangerous criminals. Up to 1,400 troops, police and support staff had been pre-positioned on Bougainville. The aim is to box in and destroy BRA rebels — estimated to number up to 2,000 — in the central and southern parts the island. A military cordon has been established to block the traditional rebel escape route to the adjacent Solomon Islands. The effectiveness of the PNG Defence Force has been ridiculed over its past inability to secure a military victory on mountainous Bougainville. The latest operation is seen as a matter of honour and payback.

When Sir Julius officially lifted the cease-fire in March, the Australian Foreign Minister, Alexander Downer — who was brand-new in the job — was quick to state publicly that the Australian Government did not believe there could be a military solution on Bougainville. Downer called for "restraint". His com-

ments annoyed Sir Julius. However, it was subsequently revealed that the Australian Government had agreed to provide \$200,000 [Australian dollars] worth of non-lethal equipment to the PNG Defence Force. It was requested in the context of the planned offensive when the cease-fire was lifted.

Australia insisted that, as it did not believe a military solution could be achieved, such equipment would not be provided as aid, and the PNG Government would have to buy it. Still, the agreement comes on top of wider questions about the Australian defence co-operation program with PNG and links to the Bougainville conflict. Australia is still awaiting payment before it sends the equipment.

The PNG Government is unhappy that Downer expressed outright opposition to the offensive through the media rather than directly, with Sir Julius, adding that PNG is an independent country and Australia should manage its own affairs. A spokesman for Downer responded that as a friend and neighbour of PNG, the Australian Government would continue to speak frankly on a range of issues.

Clearly there is potential for bilateral friction as the military operation unfolds. It will not be the first time that the Bougainville conflict and issues arising from it have led to sharp exchanges between Port Moresby and Canberra. However, in the campaign for Australia's March 2 election, the Coalition maintained that a closer relationship with PNG would help Australia play a positive role in mending the Bougainville schism.

Downer cannot afford to be smug. The pain in PNG runs deep. The activities of some pro-BRA activists, including the former Melbourne lawyer Rosemarie Gillespie, have caused deep resentment in Port Moresby. Australia's record on Bougainville is not a proud one. The challenge now, with violence intensifying, is to improve that record.

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